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Washington Navy Yard
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User's Guide
UG-2039-ENV

QUALIFIED RECYCLING PROGRAM (QRP)
GUIDE

by

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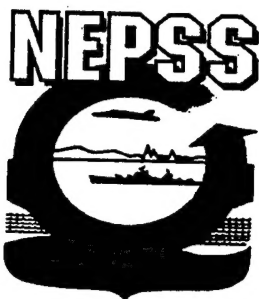
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Foreword

The *Qualified Recycling Program Guide* explains how to develop and operate both regional and installation Qualified Recycling Programs (QRP) for naval shore activities. The June 2000 version updates and expands the previous guide, UG-2003-ENV, published in March 1995.

Executive Order 13101, of September 14, 1998, requires the Federal Government to improve use of recycled products and environmentally preferable products and services. The order requires the head of each executive agency to incorporate waste prevention and recycling in the agency's daily operations and to increase and expand markets for recovered materials through affirmative procurement of recycled content materials. The national policy is to prefer pollution prevention, whenever feasible. Pollution that cannot be prevented, reduced, or recycled should be treated in an environmentally safe manner. Disposal should be employed as a last resort.

A QRP is an organized recycling operation in which an installation may receive up to 100% of the proceeds from "qualifying" recyclable material sales if specific criteria are met. OPNAVINST 5090.1B, the Environmental and Natural Resources Program Manual and MCO P5090.2A, Environmental Compliance and Protection Manual, require activities to implement source separation for recycling and to develop, at a minimum, one QRP per installation. In some cases, one Regional QRP can serve the recycling needs of several installations located in the same region. The QRP must be in place before any revenue generated from recycling can be deposited into the QRP suspense account. This guide provides a step-by-step approach for developing a QRP and explains how to operate the program.

Copies of this Guide may be obtained from the Naval Facilities Engineering Service Center (NFESC) publications center or from the NFESC web page at http://www.nfesc.navy.mil/solidwaste*.


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CHAPTER 1 INTRODUCTION

1.1 PURPOSE. The purpose of this guide is to provide current information about developing and operating region wide and installation wide Qualified Recycling Programs (QRP) for naval shore activities. A QRP is a recycling program that is qualified to retain the sales proceeds of certain appropriated funded recyclable scrap in addition to the proceeds of scrap belonging to civilian and military individuals. This guide does not discuss solid waste management or recycling per se, but focuses on the financial and managerial aspects of operating a QRP. Many changes have transpired since 1995. This guide supercedes UG-2003-ENV, published in March 1995.

1.2 SCOPE. This document provides guidance to develop and operate a QRP for an installation or region. Chapter 1 introduces the concept, background and regulations of the QRP. Chapter 2 outlines the steps necessary to establish a QRP. Chapter 3 discusses how to sell the recyclable materials and how to allocate sales proceeds. Chapter 4 explains how to handle QRP finances in relation to labor, equipment, sales proceeds, and "seed" money. Chapter 5 explains record keeping of QRP operations. Chapter 6 discusses how QRPs operate in relation to Working Capital Funded activities.

1.3 NAVY AND MARINE CORPS RECYCLING OBJECTIVES AND GOALS. The objective of the Navy and Marine Corps solid waste program is to achieve an overall reduction in the amount of solid waste generated and to increase the amount of waste diverted from disposal in landfills and incinerators. Recycling is an essential part of reducing solid waste disposal.

The New Department of Defense (DOD) Measure of Merit (MOM) goal is *"By the end of FY2005, ensure the diversion rate for non-hazardous solid waste is greater than 40%, while ensuring integrated non-hazardous solid waste management programs provide an economic benefit when compared with disposal using landfilling and incineration alone."*

The MOM goals have been incorporated as Navy and Marine Corps policy. The Navy will track the achievement of the MOM goal at the claimant level. The QRP is one of the integrated solid waste management methods used to achieve the MOM goals.

The solid waste objectives and goals must be addressed when establishing Solid Waste Management Plans (SWMPs) at Navy and Marine Corps installations. OPNAVINST 5090.1B and MCO P5090.2A require installations to develop and implement a SWMP. SWMPs are discussed in more detail in the *Solid Waste Management Plan Guide, NEESA 5.0-004, September 1993*. The overall solid waste objectives are listed below:

- Plan purchases and practices to avoid generation of solid waste.
 - Reuse items whenever possible.
 - Recycle to the maximum extent.
 - Reduce disposal cost by using landfill and incineration diversion measures such as recycling and composting.
-

- Comply with Navy, Marine Corps, federal, state, and local solid waste laws, regulations and instructions.

Installation or regional QRPs can play an important role in achieving the MOM goal. In past years, QRPs only recycled items that were profitable. Compliance with DOD, Navy, Marine Corps, federal, state and local recycling laws or goals are now the compelling factor in solid waste management. Base operational funds can be used to augment the operation of the QRP. There is no legal or regulatory requirement for the installation recycling program to be self supporting. However, proceeds must first be used to cover the costs of the recycling program.

1.4 BACKGROUND. Before the enactment of 10 U.S.C. §2577, "Disposal of Recyclable Materials," in 1982, shore installations had no financial incentive to recycle since the profit generated from the sale of recycled material originally purchased with appropriated funds was returned to the U.S. Treasury. The passage of 10 U.S.C. §2577 enables "qualified recycling programs" (QRPs) to retain the revenue generated from the sale of certain recyclable materials. In order for a recycling program to become "qualified", it must meet the requirements of 10 U.S.C. §2577.

The proceeds collected by a QRP must first cover program costs. Up to 50 percent of the remaining proceeds may be used for pollution abatement, pollution prevention, composting, alternative fueled vehicle infrastructure support and vehicle conversion, energy conservation, or occupational safety and health projects, with first consideration given to projects included in the installation's pollution prevention plans. Any remaining proceeds may be transferred to the non-appropriated Morale, Welfare, and Recreation account or retained in the QRP suspense account to cover anticipated future program costs. 10 U.S.C. 2577 limits the amounts that can be held in the QRP account at the end of any fiscal year resulting from the program to \$2 million. Amounts in excess of \$2 million are to be transferred to Miscellaneous Receipts of the Treasury.

1.5 SUMMARY OF REQUIREMENTS. Various public laws, regulations and policy have been enacted over the years aimed at minimizing waste through maximizing recycling. The Resource Conservation and Recovery Act (RCRA) (Ref 1) and a number of Executive Orders have been issued with the same directive: focus federal efforts on recycling and waste prevention.

The requirements for QRPs within DOD Components are based on statutes, regulations, and Executive Orders. The Department of Defense has issued implementing guidance and procedures as Directives, Regulations, Instructions, policy memoranda, manuals, and handbooks. When there are conflicts or contradictions, the latest Directive, Regulation, or Instruction on an issue or subject area usually should be followed. The most significant QRP requirements in this guide are summarized below.

10 U.S.C. 2577, "Disposal of Recyclable Materials," (Ref 2) contains the provisions that form the basis for QRPs:

(a)(1) The Secretary of Defense shall prescribe regulations to provide for the sale of recyclable materials held by a Military Department or Defense Agency and for the operation of recycling programs at military installations.

(a)(2) Any sale of recyclable materials by a Military Department shall be in accordance with the procedures in Section 203 of the Federal Property Administration Services Act of 1949 and 40 U.S.C. 484 (Ref 3) for the sale of surplus property.

(b)(1) Proceeds from the sale of recyclable materials shall be credited to funds available for operations and maintenance at that installation in amounts sufficient to cover the costs of operations, maintenance, and overhead for processing recyclable materials at the installation (including the cost of any equipment purchased for recycling purposes).

(b)(2) If after such funds are credited, and a balance remains available to a military installation, and such installation has a qualifying recycling program, not more than 50 percent of that balance may be used at the installation for projects for pollution abatement, energy conservation, and occupational safety and health activities. A project may not be carried under the preceding sentence for an amount greater than 50 percent of the amount established by law as the maximum amount for a minor construction project.

(b)(3) The remaining balance available to a military installation *may* be transferred to the non-appropriated morale and welfare account of the installation to be used for any morale or welfare activity.

(c) If the balance available to a military installation under this section at the end of any fiscal year (FY) is in excess of \$2 million the amount of that excess shall be deposited into the Treasury as miscellaneous receipts.

DoD Instruction 4715.4, "Pollution Prevention" (Ref 4):

Requires Military Departments to establish procedures that ensure all installations have, or participate in, a QRP to serve host and tenant organizations alike. It also requires Military Departments to ensure that GOCO and other types of contracts are modified where cost-effective to include recycling programs. DoD Instruction 4715.4 (Ref 4) provides that QRP procedures address recyclable materials, excluded materials, and other qualified recycling program materials, and controls are in place to ensure that 32 CFR Part 172.2(b)(3) (Ref 5) excluded materials are not sold through a QRP. Most importantly for QRP Managers, DoD Instruction 4715.4 (Ref 4) authorizes installations to sell directly recyclable and other qualified recycling program materials, or to consign them to Defense Reutilization and Marketing Office (DRMO) for sale. Reference 4 also ensures

that the distribution of recycling proceeds is consistent with 10 U.S.C. 2577 (Ref 2) such that sales proceeds are distributed in accordance with Reference 4.

Establish accounting and control systems for management and audit information, materials and sales, cost, and expenditure tracking.

Operate, or participate in, a composting program, if practicable.

E.O. 13101, "Federal Acquisition, Recycling, and Waste Prevention" (Ref 6): Consistent with the demands of efficiency and cost effectiveness, the head of each Executive Agency shall incorporate waste prevention and recycling in the Agency's daily operations by maximizing recycling and preventing waste wherever possible.

Solid Waste Disposal Act of 1976 (Ref 7):

Eliminates unnecessary virgin materials and prohibitions against recovered materials in specifications;

Adds preference for recovered materials; and

Requires affirmative procurement program for Environmental Protection Agency (EPA) (recycled) guideline items.

Program Budget Decision 412 of 23 November 1997: This decision disallows Working Capital Fund activities from using the sales proceeds of their appropriated funded recyclable materials to offset their overhead costs. As a result, Working Capital Fund activities must donate their appropriated funded scrap to the Defense Reutilization Marketing Organization (DRMO) with the sales proceeds going to the U.S Treasury.

Marine Corps Order P5090.2, Environmental Compliance and Protection Manual, September 1991: This manual provides policy and guidelines to implement the Marine Corps environmental compliance and protection program. The manual also identifies statutory and regulatory requirements applicable to regulatory compliance, environmental protection, natural resource management, land use management, and historic and archaeological resources protection programs. This order requires all Marine Corps installations to establish and operate a QRP.

OPNAVINST 5090.1B, CH-2, Environmental and Natural Resources Program Manual, Chapter 14: This manual provides Navy policy, identifies key statutory and regulatory requirements, and assigns responsibilities for managing the following Navy programs: regulatory compliance, environmental protection, natural resource conservation, cultural and historic resource preservation, and pollution prevention. The responsibilities and goals of Navy QRPs are also assigned.

DOD Instruction 4160.21-M, Defense Reutilization and Marketing Manual (Ref 8): This manual prescribes the policies and procedures to be followed by DOD installations worldwide for the reutilization and marketing of excess, surplus, and foreign excess personal property.

DoD 4160.21-M, Ch. 4, Para. B3, Policy on AEDA and Range Residue (Ref 9): This section explains how military installations shall properly handle and dispose of ammunition, explosives, and dangerous articles (AEDA). It also addresses the proper disposal of firing range expended small arms cartridge cases and inert metals gleaned from range cleanup.

Office of the Under Secretary of Defense Memorandum, 15 May 1998, Recycling of Firing-Range Scrap Consisting of Expended Brass and Mixed Metals Gleaned from Firing-Range Clearance through Qualified Recycling Programs: This memorandum discusses the proper disposition procedures for firing-range scrap and requires training for personnel processing expended brass and mixed metals gleaned from range clearance.

DOD Instruction 7310.1, Disposition of Proceeds from DOD Sales of Surplus Personal Property: This instruction is used by Defense Reutilization and Marketing Service (DRMS) as a guideline for financial accounting procedures. Specifies procedures for the handling of bids, payments, and disposition of proceeds from sales of personal property governed by DOD 4160.21-M, surplus government-owned property in the possession of contractors, and recyclable material as defined in 10 U.S.C. 2577. This instruction lists materials that are not QRP eligible items.

Solid Waste Management Plan (SWMP) Guide, NEESA 5.0-004, September 1993: This guide identifies the necessary components of an installation/activity SWMP. The SWMP includes provisions for establishing an installation recycling program.

Combined Services Interim Guidance for Direct Sales of 2 January 1997: The purpose of this memorandum is to provide interim guidance for conducting direct sales of recyclable materials for installations with Qualified Recycling Programs. Talks about how to perform direct sales.

CHAPTER 2

ESTABLISHING A QUALIFIED RECYCLING PROGRAM (QRP)

2.1 WHO IS REQUIRED TO ESTABLISH A QRP? All Navy and Marine Corps shore installations are required to establish a QRP. Navy policy dictates that only one QRP be established per installation or region to prevent duplication of effort. The host activity usually administers the QRP. However, the host may delegate the QRP to one of its tenant activities at the installation. In accordance with DoD Instruction 4715.4, installation recycling programs must be available to serve all host and tenant organizations occupying space on the installation, including leased space. The exchange and commissary may choose to sell their recyclable items outside the QRP and retain the proceeds to offset their costs or they may choose to participate in the installation QRP.

2.1.1 Reasons for Establishing QRPs. QRPs shall be established for the following purposes:

- To avoid excessive costs for disposal of solid waste by other means.
- To reduce the volume of wastes disposed in landfills.
- To improve operational efficiency by the reuse of readily available resources.
- To comply with Navy and Marine Corps instructions.
- To comply with federal, state, and local environmental laws and regulations.
- To obtain proceeds from the sale of recyclable materials.

2.2 STEPS TO ESTABLISH A QRP AT AN INSTALLATION

2.2.1 The Installation Commanding Officer Designates the Qualified Recycling Program Manager. The QRP manager can be any appropriated funded or non-appropriated funded civilian federal employee who understands solid waste management and recycling. The manager will oversee all QRP operations. The manager will be responsible for accounting for costs and revenues incurred by the program and managing employees. The program manager should have a basic understanding of recycling equipment and the safety measures used when operating the equipment. The program manager must receive Ammunition Explosives and Dangerous Articles (AEDA) training to ensure improper material is not sold to vendors if the QRP decides to recycle range scrap.

2.2.2 The Installation Commanding Officer Establishes a QRP Committee. At a minimum, the committee should consist of the installation QRP Manager, the installation Executive Officer, and one member from the following organizations: Comptroller's Office, Public Works, Environmental, Safety, and Morale, Welfare, and Recreation (MWR). The committee should meet as often as is required, or at least quarterly, to do the following:

- Make recommendations for procuring recycling equipment.
- Review recycling audit report prepared by the comptroller.
- Review and recommend approval of recycling facility improvement projects submitted for funding.
- Review the QRP program in conjunction with the Environmental Compliance Evaluation and the comptroller audit.
- Propose use of excess recycling funds, if any.

The responsibilities of the individual committee members are as follows:

- (1) Installation Commanders have the overall responsibility to set up and run a QRP. This includes, but is not limited to, the following responsibilities:

- Make QRPs available to all tenant organizations and tenant contractors.
- Structure the program for a variety of recyclables with emphasis on total waste stream reduction.
- Ensure QRPs comply with all applicable public laws, Executive Orders, DoD and respective Military Department policies and regulations, as well as state and local requirements.
- Encourage and support the expansion of existing recycling programs to take on new commodities.
- Establish management controls to correct program weaknesses and comply with major commands/major claimants' oversight.
- Establish an annual incentives/awards program for enhancements to recycling programs.
- Encourage participation in partnership programs with other services, other DoD activities, Federal Agencies, municipalities, and community organizations.
- Encourage regional plans to improve cost-effective recycling programs.
- Alert defense criminal investigative organizations to pursue allegations of fraud or corruption.
- Review the proposed actions of the QRP committee.
- Act as chairperson, or designate a chairperson for, the QRP committee meetings.
- Select the manager of the QRP.

- (2) QRP Manager's responsibilities include managing the QRP and overseeing the QRP budget. Other responsibilities are as follows:

- Designate a trained individual besides the QRP Manager, if needed, to conduct local sales (term and spot sales, see Appendix D) and award contracts.
- Report all matters relating to fraud or criminal conduct to the installation commander or call audit, internal review, or criminal investigative personnel.
- Require the designated contracting sales officer to sign all documents requiring signature for the Government.
- Perform contract administrative actions.
- Assure recycling revenues are used in accordance with 32 CFR part 172. Specifically, the revenue from the sale of appropriated funded QRP recyclable material must be placed in **F3875 Budget Clearing Account (suspense) and not in any other accounts, including MWR accounts. This revenue must first be used to pay for labor, equipment maintenance, equipment purchases, and facility maintenance costs of the recycling program. Up to 50 percent of the funds remaining after recycling operational costs have been paid may be used for pollution abatement, energy conservation, or occupational safety and health activities. The funds remaining after funding the aforementioned activities may be transferred to installation morale or welfare activities or they may be held in the account for the next fiscal year.
- Maintain required accounting records and supporting documentation for all proceeds received from the sale of recyclable materials and for disbursement of funds for authorized purposes.
- Prepare accounting and monthly status of fund reports.

(3) The Comptroller's Office shall:

- Ensure that projects considered for local funding with recycling proceeds are not included in a normal military construction program.
- Ensure that the balance of funds, received from the sale of recycled material, but not disbursed at the end of the fiscal year, do not exceed \$2,000,000.
- Conduct an annual audit of the QRP **F3875 Budget Clearing Account (suspense) to ensure the recycling revenue is used in accordance with 32 CFR part 172.
- Maintain all program and audit records and make them available for major claimant audits and inspections.

(4) The Public Works Department may assist in the planning of collection, transportation, storing and processing of recyclable materials.

(5) The Environmental Office shall ensure all recycling operations comply with pertinent environmental requirements.

(6) The Safety Office shall ensure all recycling operations comply with pertinent safety requirements.

(7) MWR shall:

- Provide Human Resource Office (HRO) services for Non-appropriated Fund (NAF) personnel.
- Provide a list of projects to potentially be funded with recycling revenues to the QRP Committee for approval.

2.2.3 Establish Management Controls. A management control system must provide assurance that the program meets its goals and properly accounts for government resources. The management control process should emphasize prevention of waste, fraud, mismanagement, and timely correction of management control weaknesses. Management controls should be integrated into daily management practices. Several techniques to employ in your management control program are listed below. For additional information, see DoD Directive 5010.38.

2.2.3.1 Standard Operating Procedures. Establish operating procedures for your recycling site or center.

2.2.3.2 Physical Access. Ensure that access to valuable materials is controlled.

2.2.3.3 Job Descriptions. Descriptions of duties that reflect the principle of division of duties should be established for employees of the QRP and installation finance offices. The person responsible for selling recyclable materials must not be the same person responsible for receiving, recording and depositing these checks. If such separation is not established, management must establish appropriate oversight mechanisms to ensure individuals do not abuse their assigned authority.

2.2.3.4 Cash Transactions. Cash transactions are discouraged. Transactions greater than \$20.00 should be by check or other non-cash methods. Cash transactions must have receipts and records suitable for auditing.

2.2.4 Set Up an Accounting and Tracking System for QRP Finances and Materials. One readily available method is the Solid Waste Annual Report (SWAR) Software. It tracks finances and material quantities. For a free copy of this software, contact DESCIM via the DENIX Web site: <http://www.denix.osd.mil/denix/DOD/dod.html> and choose DESCIM PMO to find the software.

2.2.5 Send a Letter to the Local DRMO Notifying Them That You Have Established a QRP and a **F3875 Suspense Account for Depositing Proceeds From the Sale of QRP Materials. (A sample letter is attached in Appendix F.) The proceeds from the sale of QRP recyclable material will be deposited into the suspense account. The money

in the suspense account shall be first used to cover QRP program costs as required by law. If there is money remaining in the account after program costs have been covered, the QRP committee will decide how to allocate the funds as described in Section 4.9 of this guide. MWR will inform the QRP committee of its funding requests to receive funding. In addition, the letter must mention how the QRP and DRMO will work together to properly handle material. Some material will accidentally arrive at the QRP yard, such as reusable items purchased with funds originating from the U.S. Treasury or Munition List Items, that must be processed by DRMO. If these types of items arrive at the QRP recycling yard, the QRP manager must call DRMO to have the items picked up and processed by DRMO. Conversely, some items may arrive at the DRMO yard, such as aluminum cans, that should be processed and sold through the QRP. The DRMO chief should inform the QRP manager of these items so the revenue from these items is deposited into the QRP suspense account.

2.2.6 Write a Regional/Installation QRP Instruction. See Appendix G for a sample QRP instruction. It should cover the following at a minimum:

- (1) Designation of a QRP Manager and duties of other installation offices that will support recycling (e.g., the Director of Public Works (DPW), Financial Officer);
- (2) The types of recycling materials to be included in the QRP and how they will be handled;
- (3) Specific implementation procedures of the QRP (copies of the Directive should be distributed locally and made available to DRMO);
- (4) A means for tracking and maintaining records on types and quantity of materials covered by the QRP;
- (5) A means for tracking and maintaining records for accounting of funds received and disbursed via the QRP;
- (6) Payment/transfer of expenses associated with the QRP;
- (7) Distribution of amounts remaining in the installation recycling account for authorized purposes, and;
- (8) *When DRMO is used instead of the option for direct sales, provide procedures for completing DD Form 1348-1 Disposal Turn-In Document (DTID).*

Once you have completed the steps above, your recycling program is now qualified to receive recycling proceeds.

2.3 ESTABLISHING A REGIONAL QRP. Two or more installations in a geographical area can combine efforts to form a regional QRP. Each installation may have its own separate recycling yard and QRP suspense account (Cooperative Regional QRP) or the installations can share one suspense account and one or several recycling yards that service the installations of the region (Unified Regional QRP).

2.3.1 Cooperative Regional QRPs. Installations in a region that each have their own suspense account and recycling yard can pool together a certain commodity that each installation does not collect in amounts large enough to sell either directly or through DRMO in order to create a sale. If the scrap is turned into DRMO, the DD1348-1 will list the suspense account number and quantity contributed of each installation. After the scrap is sold, each installation QRP suspense account will be credited the proceeds based upon the information in the DD1348-1. If the scrap is sold directly, each installation will have to keep a record of its contribution in order to be properly credited. If an installation does not have a record of the amount contributed, then that installation risks the possibility of forfeiting their sales proceeds.

2.3.2 Unified Regional QRP. The unified regional QRP will be operated and set up like the one described in Section 2.2 for an installation that has one manager, one QRP committee, one suspense account for sales revenues, and answers to the regional commander. It could have several recycling centers, depending upon distance between installations. The QRP committee will be composed of individuals from all the installations served. The proceeds from the recyclable materials must first cover the cost of the regional recycling efforts. The distribution of excess funds will be decided by the QRP committee. As in Section 4.9, the regional commander or the designated appointee may at his/her discretion, override the decision of the committee. If the committee cannot reach a decision on disposition of the excess funds, the regional commander, or his/her designated appointee, will make the final decision.

2.4 STEPS TO ESTABLISH A UNIFIED REGIONAL QRP

2.4.1 The Regional Commander Designates the Qualified Recycling Program Manager. The QRP manager can be any appropriated or non-appropriated funded civilian federal employee who understands solid waste management and recycling. The manager will oversee all QRP operations. The manager will be responsible for accounting for costs and revenues incurred by the program and managing employees. The program manager should have a basic understanding of recycling equipment and the safety measures used when operating the equipment. The program manager must receive Ammunition Explosives and Dangerous Articles (AEDA) training to ensure improper material is not sold to vendors if the QRP decides to recycle range scrap.

2.4.2 The Regional Commander (or the Designated Appointee of the Regional Commander) and QRP Manager Select a QRP Committee. At a minimum, the membership should include the regional comptroller, the Executive Officer of each installation, a representative from MWR, Environmental, Safety, and Public Works, and

the regional legal counsel. Each installation should be adequately represented. The committee will assist the QRP manager in the direction and vision of the QRP. The committee should meet as often as is required, or at least quarterly, to do the following:

- Make recommendations for procuring recycling equipment.
- Review recycling audit report prepared by the comptroller.
- Review and recommend approval of recycling facility improvement projects submitted for funding.
- Review the QRP program in conjunction with the Environmental Compliance Evaluation and the comptroller audit.
- Propose use of excess funds, if any.

The responsibilities of the individual committee members are as follows:

- (1) Regional Commander or the designated appointee have the overall responsibility to set up and run a QRP. This includes, but is not limited to, the following responsibilities:
 - Make QRPs available to all tenant organizations and tenant contractors.
 - Structure the program for a variety of recyclables with emphasis on total waste stream reduction.
 - Ensure QRPs comply with all applicable public laws, Executive Orders, DoD and respective Military Department policies and regulations, as well as state and local requirements.
 - Encourage and support the expansion of existing recycling programs to take on new commodities.
 - Establish management controls to correct program weaknesses and comply with major commands/major claimants' oversight.
 - Establish an annual incentives/awards program for enhancements to recycling programs.
 - Encourage participation in partnership programs with other services, other DoD activities, Federal Agencies, municipalities, and community organizations.
 - Encourage regional plans to improve cost-effective recycling programs.
 - Alert defense criminal investigative organizations to pursue allegations of fraud or corruption.
 - Review and approve the actions of the QRP committee.
 - Act as, or designate, a chairperson of the QRP committee meetings.
 - Select the manager of the QRP.

(2) The QRP Manager's responsibilities include managing the QRP and overseeing the QRP budget. Other responsibilities are as follows:

- Designate a trained individual in addition to the QRP Manager, if needed, to conduct local sales (term and spot sales, see Appendix D) and award contracts.
- Report all matters relating to fraud or criminal conduct to the installation commander or call audit, internal review, or criminal investigative personnel.
- Require the designated contracting sales officer to sign all documents requiring signature for the Government.
- Perform contract administrative actions.

(3) The Regional Comptroller shall:

- Ensure that projects considered for local funding with recycling proceeds are not included in a normal military construction program.
- Maintain required accounting records and supporting documentation for all proceeds received from the sale of recyclable materials and for disbursement of funds for authorized purposes.
- Prepare accounting and monthly status of fund reports.
- Ensure that the balance of funds, received from the sale of recycled material, but not disbursed at the end of the fiscal year, do not exceed \$2,000,000.
- Conduct an annual audit of the QRP account.
- Maintain all program and audit records and make them available for major claimant audits and inspections.

(4) The Public Works Department representative will assist in the planning of collection, transportation, storing and processing of recyclable materials.

(5) The Environmental Office representative shall ensure all recycling operations comply with pertinent environmental requirements.

(6) The Safety Office representative shall ensure all recycling operations comply with pertinent safety requirements.

(7) MWR will inform the committee of its funding requests when the committee decides how to allocate QRP profits.

2.4.3 Establish Management Controls. A management control system must provide assurance that the program meets its goals and properly accounts for government resources. The management control process should emphasize prevention of waste, fraud, mismanagement, and timely correction of management control weaknesses.

Management controls should be integrated into daily management practices. Several techniques to employ in your management control program are listed below. For additional information, see DoD Directive 5010.38.

2.4.3.1 Standard Operating Procedures. Establish operating procedures for your recycling site or center.

2.4.3.2 Physical Access. Ensure that access to valuable materials is controlled.

2.4.3.3 Job Descriptions. Descriptions of duties that reflect the principle of division of duties should be established for employees of the QRP and installation finance offices. The person responsible for selling recyclable materials must not be the same person responsible for receiving, recording and depositing these checks. If such separation is not established, the QRP manager must establish appropriate oversight mechanisms to ensure individuals do not abuse their assigned authority.

2.4.3.4 Cash Transactions. Cash transactions are discouraged. Transactions greater than \$20.00 should be by check or other non-cash methods. Cash transactions must have receipts and records suitable for auditing.

2.4.4 Set Up an Accounting and Tracking System for QRP Finances and Materials. One readily available method is the Solid Waste Annual Report (SWAR) Software. It tracks finances and material quantities. For a free copy of this software, contact DESCIM via the DENIX Web site: <http://www.denix.osd.mil/denix/DOD/dod.html> and choose **DESCIM PMO** to find the software.

2.4.5 Send a Letter to the Local DRMO Notifying Them That You Have Established a QRP and a **F3875 Suspense Account for Depositing Proceeds From the Sale of QRP Materials. (A sample letter is attached in Appendix F.) The proceeds from the sale of QRP recyclable material will be deposited into the suspense account. The money in the suspense account shall be first used to cover QRP program costs as required by law. If there is money remaining in the account after program costs have been covered, the QRP committee will decide disposition of the funds as described in Section 4.9 of this guide. MWR will inform the committee of its funding requests to receive funding. In addition, the letter must mention how the QRP and DRMO will work together for proper material handling. Some material will accidentally arrive at the QRP yard, such as reusable items purchased with funds originating from the U.S. Treasury or Munitions List Items, that must be processed by DRMO. If these types of items arrive at the QRP recycling yard, the QRP manager must call DRMO to have the items picked up and delivered to DRMO. Conversely, some items may arrive at the DRMO yard, such as aluminum cans, that should be processed and sold through the QRP. The DRMO chief should inform the QRP manager of these items so the revenue from these items goes the QRP suspense account.

2.4.6 Write A Regional QRP Instruction. See Appendix G for a sample QRP

instruction. It should cover the following at a minimum:

- (1) Designation of a QRP Manager and duties of other installation offices that will support recycling (e.g., the DPW, Financial Officer);
- (2) The types of recycling materials to be included in the QRP and how they will be handled;
- (3) Specific implementation procedures of the QRP (copies of the Directive should be sent to the DRMO and higher levels);
- (4) A means for tracking and maintaining records on types and quantity of materials covered by the QRP;
- (5) A means for tracking and maintaining records for accounting of funds received and disbursed via the QRP;
- (6) Payment/transfer of expenses associated with the QRP;
- (7) Distribution of amounts remaining in the installation recycling account for authorized purposes, and;
- (8) *When DRMO is used instead of the option for direct sales, provide procedures for completing DD Form 1348-1 DTID.*

Once you have completed the steps above, your regional recycling program is now qualified to receive recycling proceeds.

CHAPTER 3

SELLING YOUR RECYCLABLE MATERIALS

3.1 INTRODUCTION. This chapter explains which recyclable materials sales proceeds can be returned to the QRP suspense account and how to properly sell these materials.

3.2 RECYCLABLE MATERIALS SALES PROCEEDS. The sales proceeds of most recyclable materials can be deposited into the QRP suspense account. However, the sales proceeds of certain types of materials must be deposited into other accounts and cannot be deposited into the QRP suspense account. These excluded materials are listed below in Section 3.2.1.

3.2.1 Excluded Materials. The sales proceeds of the following excluded materials CANNOT be deposited into the **F3875 account (QRP suspense account):

- Government material furnished to a contractor.
- Precious metal bearing scrap such as gold, silver, platinum, palladium, osmium, radium, iridium, ruthenium, and any alloys of these metals.
- Hazardous waste (including household hazardous waste) except ethylene glycol based antifreeze, used oil, and lead acid batteries.
- Ozone depleting substances.
- Electrical components (circuit boards containing precious metals and hazardous materials) originally purchased with appropriated funds.
- Unopened containers of solvents, paints, or oil.
- Fuels.
- Material originally purchased with appropriated funds that can be sold (as is) as a usable item.
- Repairable items, originally purchased with appropriated funds, that may be used again for their original purposes or functions; e.g., used vehicles, vehicle or machine parts, etc.
- Ships, aircraft, weapons, and other material required to be demilitarized or mutilated, and scrap resulting from demilitarization.
- All Munitions List Items (MLI) and Strategic List Items (SLI) as defined in DoD 4160.21-M-1 (Ref 10), except firing range expended brass and mixed metals gleaned from firing range cleanup that were originally purchased with resource management funds.
- Consecrated religious devices.
- Drugs, biologicals, and controlled substances.
- Cryptographic equipment.
- Radioactive substances. A source for information about radiological information is the Radiological Affairs Support Office (RASO) at Yorktown, VA. Their phone number is 804-887-4692 or DSN of 953-4692/4693.
- Nitrate based film.

- DoD inspection stamps and equipment.
- Ship propellers.
- Reusable lockers, bunks, and other items taken from military ships, weapons, or aircraft.
- Live animals.
- Printed circuit boards.
- Psychodiagnostic test sets.
- Classified material.
- Photographic film originally purchased with appropriated funds containing silver.
- Combat ship's hull or residue thereof.
- Incendiary products
- Thermal batteries
- Scrap that has no market value, i.e., "Trash."
- Lost, abandoned, or unclaimed privately owned personal property.
- Metal scrap originally purchased with working capital funds.
- Scrap originally purchased with commissary surcharge funds.
- Automatic data processing equipment owned by the General Services Administration.
- Property purchased for the Military Assistance Program or purchased with Foreign Military Sales Administrative Funds.
- Coast Guard property.
- Property owned by non-appropriated fund activities.
- Property owned by a country or international organization.
- Bones, fats, and meat trimmings generated by a commissary.
- Depleted uranium shells.

3.2.2 Scrap from the Commissary and Exchange. The exchange or commissary may choose to donate their recyclable scrap, except for bones, fats and meat trimmings, to the QRP. However, they are not required to do so and may retain the proceeds to offset their costs.

3.2.3 Scrap from Working Capital Fund Activities. The sales proceeds of all, but metal, non-excluded scrap originally purchased with Working Capital Funds (WCF) can be returned to the WCF to offset overhead costs. The sales proceeds of metal scrap purchased with Working Capital Funds must be returned to the U.S. Treasury. Consequently, metal scrap must be sold by DRMO. The non-excluded, non-metal scrap can be sold directly through the installation QRP with the QRP returning the proceeds (minus labor costs) to the WCF or the non-metal scrap can be sold through DRMO with DRMO returning the sales proceeds to the WCF. The WCF may also donate their non-excluded, non-metal scrap to the installation QRP with the proceeds deposited into the QRP suspense account. To summarize:

- All metal scrap goes to DRMO for sale and DRMO keeps revenues
- All other scrap goes to QRP

- QRP conducts direct sales and revenues less expenses go to WCF or WCF can donate all scrap (less industrial metals) to QRP and QRP can keep revenues.

3.2.4 Donated Privately Owned Personal Property. The QRP can accept, sell and retain the proceeds of privately owned personal property. However, the QRP cannot accept the following donated items:

- Hazardous waste (including household hazardous waste) except ethylene glycol based antifreeze, used oil, and lead acid batteries.
- Ozone depleting substances.
- Unopened containers of solvents, paints, or oil.
- Fuels.
- Consecrated religious devices.
- Drugs, biologicals, and controlled substances.
- Cryptographic equipment.
- Radioactive substances.
- Nitrate based film.
- DoD inspection stamps and equipment.
- Live animals.
- Printed circuit boards.
- Psychodiagnostic test sets.
- Classified material.
- Incendiary products.
- Thermal batteries.
- Scrap that has no market value, i.e., "Trash."
- Stolen property.

Under no circumstances can installation recycling programs use government vehicles to collect recyclable material from non-military housing.

3.2.5 Compost. Some naval installations generate compost. If the compost is sold, the proceeds from the sale of the compost may be deposited into the QRP suspense account.

3.2.6 Demilitarization. Current DoD policy prohibits QRPs from selling items requiring demilitarization or items that were demilitarized. These items must be turned into DRMO for disposal.

3.2.7 Recycling Ammo Cans, Ammo Boxes, and Powder Tubes. The QRP must send these items to DRMO because they are usable items and are excluded from the QRP.

3.2.8 Munitions List Items and Strategic List Items. All Munitions List Items and Strategic List Items, with the exception of expended brass and mixed metals gleaned from range clearance, are not QRP eligible materials and must be turned in to DRMO. The mixed metals gleaned from range cleanup must be in a form that is unrecognizable in

order for the sale proceeds from the mixed metals to be returned to the QRP suspense account. Otherwise, the mixed metals must be taken and processed by DRMO with no sales proceeds returned to the QRP suspense account.

3.2.9 The Gray Areas. Some of the items listed in Section 3.2.1 present gray areas such as mixed metals gleaned from range cleanup. Mixed metals gleaned from range cleanup result from the destruction of metal targets on the firing range. These targets may originally require demilitarization such as old tanks, but after a period of time on the range, they become progressively mutilated until all that remains are unrecognizable metal shards. One might ask at what point does the item requiring demilitarization become “mixed metal gleanings”? In Figure 3-1, most of the metal items do not require demilitarization although the storage container in the foreground may not be mutilated enough and may require demilitarization. In Figure 3-2, all the material appears as unrecognizable metal gleanings and does not require demilitarization. There is also a gray area about repairable items. At what point is it no longer feasible to repair an item? Usually, if it costs as much to fix the item as it does to replace the item, then repairing the item is no longer feasible.

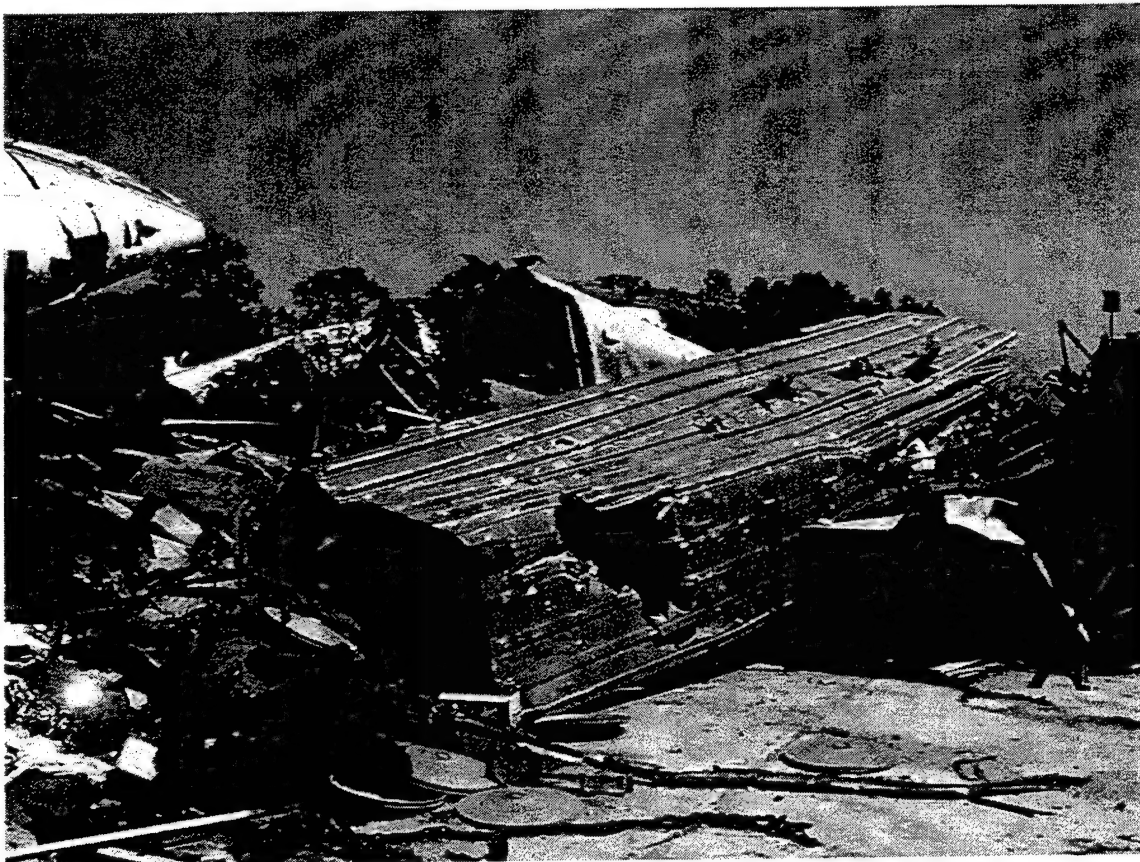


Figure 3-1. Range Residue



Figure 3-2. Range Residue

3.2.10 Real Life Scenarios. The sales proceeds from some scrap can be deposited into the installation Qualified Recycling Program (QRP) suspense account while other scrap sales proceeds cannot. Figure 3-3 shows a scrap ship's propeller with the tips of the fins cut off. By cutting off the fins, the propeller was demilitarized. The sales proceeds of items requiring demilitarization, such as combat ship propellers, cannot be returned to the QRP.

Figure 3-4 is a close-up view of a container of scrap beer bottles collected from the installation club system. The sales proceeds of these items can be deposited into the QRP suspense account since the beer bottles are considered privately owned personal property. Let's say, for discussion sake, the bottles were purchased by MWR for a softball game. If the bottles were purchased by MWR, then the sales proceeds from the bottles could not be deposited into the QRP suspense account because MWR is a non-appropriated funded (NAF) organization. The sales proceeds of property belonging to a NAF organization cannot be deposited into the QRP suspense account and must be returned to MWR.

Figure 3-5 shows electronic components that have been removed from a ship. If the electronic components were originally purchased with resource management funds, the

sales proceeds of every part besides the precious metals and circuit boards inside the electronic components can be deposited into the QRP suspense account. In most cases, the labor cost for the QRP to separate the circuit boards and precious metals from the other electronic parts is too high, so electronic items are usually processed by DRMO. If the electronic components were originally purchased with working capital funds, the sales proceeds of all electronic parts except the precious metals would be returned to the working capital fund. If the electronic components were originally purchased by a non-appropriated funded organization, the sales proceeds of all electronic parts (including the precious metals) would be returned to the NAF organization.

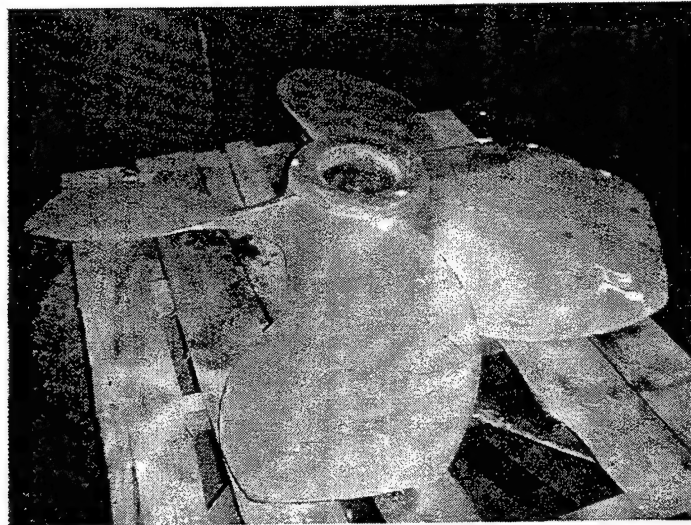


Figure 3-3. Scrap Ship's Propeller



Figure 3-4. Scrap Glass Bottles

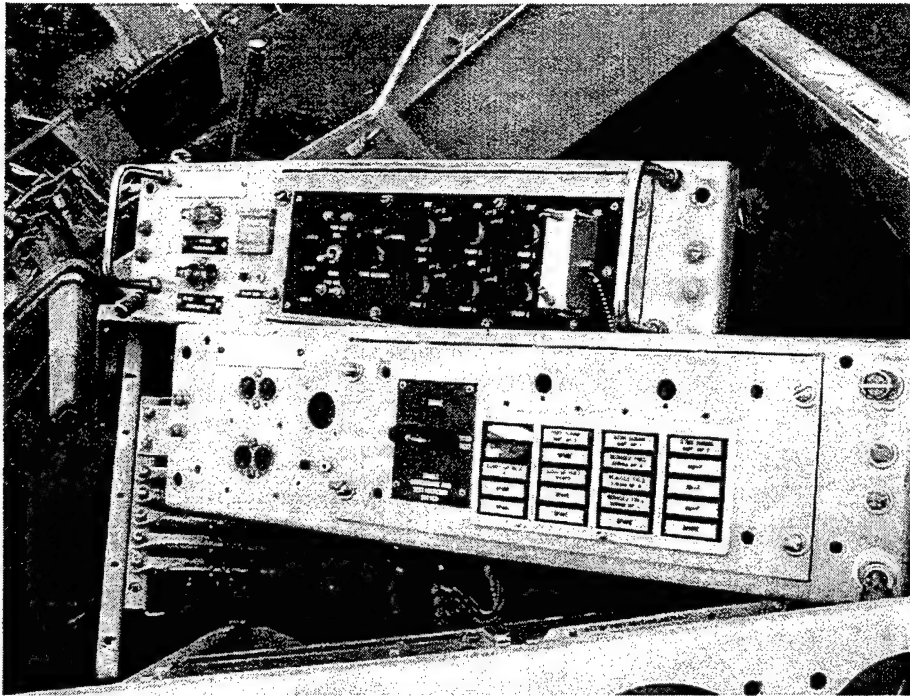


Figure 3-5. Scrap Electronic Components

3.2.11 Items Commonly Sold by the QRP. Now that you are entirely confused about the destination sales proceeds after swimming through all the rules, exceptions, and exemptions, listed below are materials commonly sold through the QRP whose sales proceeds can be deposited into the QRP suspense account:

- Cardboard
- Aluminum and steel cans
- White office paper, computer paper, and newspaper
- Glass bottles
- Ethylene glycol based antifreeze
- Lead acid batteries
- Used oil
- Metal scrap from Resource Management System (RMS) Activities
- Expanded range brass properly certified as safe or inert
- Scrap wood
- Washers, dryers, and water heaters
- Refrigerators without the CFC
- Plastic bottles
- Electrical copper wiring from demolished buildings

3.3 SELLING YOUR RECYCLABLES. Recyclable materials can be sold either through the Defense Reutilization Management Organization (DRMO) or through direct sales.

3.3.1 DRMO Sales. In order to sell your material through DRMO, the material can be transported to and sold from the nearest DRMO yard or the material can be stored at the installation and brokered through DRMO remotely. For more information on DRMO policy for selling your material, refer to DoD 4160.21-M Ch. 4, Para B3.

3.3.1.1 Selling Your Recyclable Materials at the DRMO Yard. Before transporting the material to the DRMO yard, contact the DRMO chief for specific instructions about filling out the proper forms and sorting the material.

Generally, the QRP manager must fill out DD Form 1348-1, "Disposal Turn-In Document" (DTID) (see Appendix F) for each item or homogeneous lot of scrap (mixed scrap, especially plastics, may not sell) turned in to ensure the sales proceeds are deposited into the QRP suspense account in the event DRMO sells your item. Enter the correct account and station code, identify the appropriate program, and list material code, weight, and date of turn-in. Remember: if you fail to provide accurate information, funds generated will be deposited to the general account of the Treasury, not to your installation.

A minimum of four legible copies of the DTID must be furnished to the DRMO and accompany the property. The DRMO shall return one copy of the DTID to the turn-in activity within 5 working days from receipt of property as a valid receipt document. Five legible copies of the DTID must be furnished to the DRMO if the turn-in activity desires an interim "proof of delivery" copy of the document. This copy may not be used to adjust accounting records. The QRP must pay for the transport of the material.

After DRMO accepts custody of the material, DRMO will first try to sell the item. If the item sells, DRMO will deposit the money into the suspense account listed on form DD 1348-1. If DRMO is unable to sell the item, the item will be donated to a recycler and no sales proceeds will be forwarded to your suspense account. **However, your installation does get credit for recycling to meet the DoD Measure of Merit diversion goal. If the item cannot be donated to a recycler, then it is discarded as solid waste.**

You may want to combine your recycled material with material from another installation QRP to increase the marketability. In order for an installation QRP to be credited directly by DRMO for recycling proceeds, the DTID must contain a reimbursable fund account number that is specific to that installation. If several installations have a centralized collection process and want to be reimbursed separately, a DTID must be submitted for each QRP specifying the amount of material originating from each. DRMO will then determine equitable distribution of sales proceeds.

3.3.1.2 Storing the Material at the Installation and Brokering through DRMO.

Instead of transporting your material to the DRMO yard (in some cases this may be more than 150 miles), you may broker your material through DRMO and have the recycling vendor pick up the material at your installation. Items such as cardboard, paper, wood pallets, and metal scrap can be accumulated in designated areas and picked up on a regular basis by the vendor. The vendor reports the quantity of material collected to DRMO and DRMO reimburses the QRP accordingly.

3.3.1.3 Selling Expended Brass and Mixed Metals Gleaned from Range Clearance through DRMO. Expended brass is defined as expended brass of any caliber and material without the primer, propellant and projectile. Mixed metals gleaned from firing-range clearance are defined as material (e.g., shrapnel) which is in a form that is unrecognizable from its original configuration and does not require further demilitarization, and which is not a Munitions List Item or Commerce Control List Item.

The Defense Logistics Agency (DLA) has issued policy that strengthens the procedures the DoD components must take when preparing firing-range scrap for sale to scrap dealers. This policy primarily makes changes to the disposal of range residue—which includes any material that is fired or is a target on a range.

The generating activity shall ensure that this property is properly inspected to determine the presence or absence of explosive hazards prior to referral to the DRMO or release from DoD control. The inspection shall be performed by AEDA technicians or other technically qualified personnel as designated by the generating activity. Commercial contractors responsible for certifying AEDA residue, Range Residue, or Explosives-Contaminated Property (ECP) must possess qualifications equal to those of technically qualified DoD personnel. The personnel certifying and verifying the inspection shall certify on the DTID, as follows:

“We certify and verify that the AEDA residue, Range Residue, and/or Explosives-Contaminated Property listed has been 100 percent properly inspected by us and to the best of our knowledge and belief, are inert and/or free of explosives or other dangerous materials.”

Inert certifications require dual signatures. The first signature (certifier) may be either qualified DoD personnel or qualified contractor personnel. The second signature (verifier) must be a technically qualified DoD person, and a U.S. citizen.

The certification and verification signatures must be directly above the typed or clearly stamped or legibly printed full name, rank/rate, complete organization name and address, and phone number (commercial and DSN) of the personnel that certified and verified the inspection. Each generating activity shall ensure that its servicing DRMO has a current list of the personnel and their sample signatures who are qualified and authorized to inspect, certify and verify AEDA Residue, Range Residue, and Explosives-Contaminated Property (ECP).

The QRP personnel shall keep a list of personnel authorized to certify range scrap. This list shall include both names and sample signatures to check against the signature on the form declaring the material to be safe. In addition, QRP personnel accepting the expended firing-range brass and mixed metals shall be appropriately trained to accept, store, and sell expended firing range brass and mixed metals. At a minimum, QRP personnel shall be trained to accomplish the following tasks:

- Determine which (Ammunition Explosives and Dangerous Articles) AEDA material cannot be disposed of through a QRP;
- Check both the name and signature on all turn-in documents (DD Form 1348-1) against the current list of personnel authorized to certify firing-range brass and mixed metals as safe;
- Visually inspect firing-range brass and mixed metals certified as safe to recognize potential explosive safety hazards; and
- Report any turned-in firing-range brass and mixed metals that are found not to be safe.

After the QRP accepts the range scrap, the brass and mixed metals shall be segregated by metal type and caliber and from other mixed metals during storage. DRMO will accept custody of the range scrap only if it is certified as safe and is properly segregated. DLA requires the use of memoranda of agreement (MOAs) (see Appendix I) between DRMS and the range commander to delineate the DRMO and generating activity's responsibilities for the disposal processing of range residue materials. MOAs will serve as a check-and-balance system for DRMOs and generating activities to ensure each party knows its responsibilities.

Under the MOA, the generating activity has the responsibility for a number of actions, such as segregating and safeguarding range residue, listing ordnance used on a range, inspecting and certifying the material as safe or inert, and ensuring that material has been demilitarized and contains no radioactive residue. DRMO is responsible for handling the sales procedures, providing technical assistance in identifying property needing demilitarization, and reviewing the adequacy of demilitarization actions.

Scrap dealers must receive a thorough briefing by the military, which will include surveying the buyers, and telling them the types of munitions that were cleared from a range and proper handling procedures.

Agencies that engage in dismantling munitions as a business are strictly prohibited from selling expended brass through a QRP.

For information on AEDA training courses, see Appendix C

3.3.1.4 Collecting Your Money from DRMO. Typically, DRMS/DRMO processes proceed through the Defense Finance and Accounting Service (DFAS) for deposit to the

QRP suspense account in accordance with DODI 7310.1. They may also send you a check. Be patient - sometimes it will take up to 200 days from the time you turn your item into DRMO until you receive your payment. If you receive a check from DRMS/DRMO, submit the check with a Funds Transfer Document to the finance office for deposit into the QRP account. DRMO is currently reimbursing 100 percent for "QRP recyclable materials."

3.3.2 Direct Sales. Instead of selling the recyclable material through DRMO, installations with direct sales authority can sell their material directly to the vendor. Before conducting direct sales, the installation must first receive permission from its major claimant.

3.3.2.1 Direct Sales Authority. DODI 4715.4 granted each service the authority to grant their installations direct sales authority. CNO by letter (Ser N451G/6U595545 of January 1997: Subject: Combined Services Interim Guidance for Direct Sales of Recyclables) delegated this authority to the Major Claimants. The Commandant of the Marine Corps also delegated this authority to Marine Corps Installations (see Appendix H). To obtain direct sales authority, a Navy installation with an existing QRP should send a letter to their major claimant requesting direct sales. Each claimant has established a method for granting direct sales authority to the installation QRP. With granting direct sales authority to the installations, the claimant is obligated to provide oversight of the installation program.

Once you have direct sales authority, you must determine whether the proceeds from the sale of an item can be deposited into the QRP suspense account. For example, somebody may deliver an old wooden desk to the recycling yard. With direct sales authority you must determine whether the desk is reusable. If the desk is reusable, it must be sent to DRMO. If, in your estimation, it is not reusable, the proceeds from the sale of the desk can be deposited into the QRP suspense account, if the desk was originally purchased with resource management funds. If the desk was originally purchased with working capital funds or non-appropriated funds, then the proceeds must be deposited in those accounts. If an individual donated the desk, then it is considered privately owned personal property. The proceeds from the desk, whether it is reusable or not, can then be deposited into the QRP suspense account. During audits, you will be held accountable for the sales proceeds you deposit into the QRP account.

Sales of items with anticipated proceeds exceeding \$15,000 must be conducted using procedures described in 40 U.S.C. §484 and 41 CFR Parts 101-45 and 101-46. These procedures include public advertising, bid, and award. Your local contracting officer must review your spot or term sales contract. See Appendix D for sample spot and term sale contracts.

For sales less than \$15,000, at a minimum, use the following procedures:

- (1) Establish and maintain a list of qualified recyclers and brokers.

- (2) Obtain a minimum of three quotes where possible from independent buyers on sales of material, and document the quotes.
- (3) Choose the bid most advantageous to the Government and execute a sales contract.
- (4) Create a file to document the sale.

3.3.2.2 Selling Expended Brass and Mixed Metals Gleaned from Firing-Range Clearance Directly. Expended firing-range brass is defined as expended brass of any caliber and material without the primer, propellant and projectile. Mixed metals gleaned from firing-range clearance are defined as material (e.g., shrapnel) which is in a form that is unrecognizable from its original configuration and does not require further demilitarization, and which is not a Munitions List Item or Commerce Control List Item.

DLA has issued policy that strengthens the procedures the DoD Components must take when preparing firing-range scrap for sale to scrap dealers. This policy primarily makes changes to the disposal of range residue—which includes any material that is fired or is a target on a range.

This policy requires dual signatures for certifications of material as inert. The generating activity—the entity which owns a training range—must obtain an inspection and certification from two government representatives, only one of which can be a military contractor. This must be done prior to any direct sale of the material to vendors. The QRP personnel shall keep a list of personnel authorized to certify range scrap. This list shall include both names and sample signatures to check against the signature on the form declaring the material to be safe. In addition, QRP personnel accepting the expended firing-range brass and mixed metals shall be appropriately trained to accept, store, and sell firing range brass and mixed metals. At a minimum, QRP personnel shall be trained to accomplish the following tasks:

- Determine which AEDA material cannot be disposed of through a QRP;
- Check both the name and signature on all turn-in documents against the current list of personnel authorized to certify firing-range brass and mixed metals as safe;
- Visually inspect firing-range brass and mixed metals certified as safe to recognize potential explosive safety hazards; and
- Report any turned-in firing-range brass and mixed metals found not to be safe.

After the QRP accepts the expended brass and mixed metals, the brass and mixed metals shall be segregated from other mixed metals during storage. The QRP then must crush, shred, or otherwise destroy the expended brass prior to public sale. This is often done via a brass deformer. After the brass has been processed, the contract for the sale of the range brass and mixed metals must contain the following clause:

"Dangerous Property"

Purchasers are cautioned that articles or substances of a dangerous nature may remain in the property regardless of the care exercised to remove same. The Government assumes no liability for damages to property of the Purchaser or for personal injury, disability or death of the Purchaser, its employees, or to any other person arising from or affiliated with the purchase, use or dispositions of this material. The purchaser shall hold the Government harmless from any and all such demands, suits, actions, or claims arising from or otherwise relating to the purchase of this material."

For information on AEDA training courses, see Appendix C.

3.3.2.2.1 Overseas Direct Sale of Expended Firing-Range Brass and Mixed Metals.

Due to strict requirements under the Arms Export Control Act as implemented by 22 CFR Parts 120-130, the Traffic In Arms Regulations, overseas QRPs must recycle their expended firing-range brass through DRMO as described in Section 3.4.1.3. If an overseas activity wants to receive reimbursement for expended firing-range brass, the brass must first be mutilated or shredded, or made unusable for its intended purpose, and then turned into DRMO along with a properly certified demilitarization certificate. The DRMO will sell the expended firing-range brass and apply all sales and end-use controls. At this time, 100 percent of the proceeds are returned to the overseas QRP.

For more information on the sale of expended firing-range brass and mixed metals gleaned from range clearance, refer to DoD Memorandum dated 15 May 1998 in Appendix H and DoD Manual 4160.21-M.

3.3.2.3 Collecting Your Money Through Direct Sales. If you receive a check from a recycler through direct sales, be sure it is payable to the U.S. Treasury. Checks must not be made payable to the QRP. Again, submit the check with a Funds Transfer Document to your finance office for deposit into the QRP separate **F3875 Budget Clearing Account (suspense) account.

3.3.2.4 Training. Direct sales training is available through the Defense Logistics Agency. Although priority placement is reserved for DLA staff, there is periodic availability for DoD employees. The week-long course is available through the Battle Creek, Michigan Training Center for \$400.00.

For more information about direct sales, refer to the Combined Services Interim Guidance for Direct Sales memorandum dated 2 Jan 1997 in Appendix H.

CHAPTER 4

QRP FINANCES

4.1 STARTUP FUNDS. Within an installation, "seed" money for a QRP may come from the base operational funds, or central base fund controlled by the commanding officer. Funds to start or subsidize a QRP can be obtained by service headquarters funds, or other non-appropriated funds. The money can be in the form of a direct allocation. This source may be necessary at the start of the recycling program.

A QRP may also use the Environmental Program Requirements (EPR) mechanism to submit a project for possible funding. Not all projects submitted through EPR receive funding, however. If your QRP is awarded, the funds will arrive via your major claimant. Your base environmental organization or Naval Facilities Engineering Command (NAVFAC) Engineering Field Division can assist the QRP in submitting the project. The Navy Environmental Requirements Guidebook contains guidance for submitting recycling projects. Contact CNO N45C2 at (703) 602-5461 for a copy of the EPR software used to submit a project.

The Pollution Prevention Equipment Program (PPEP) also provides pollution prevention equipment to Resource Management System (RMS) funded activities. To apply for pollution prevention equipment, submit a request for the equipment via your claimant. To view the PPEP equipment list, visit <http://enviro.nfesc.navy.mil/p2library/> or contact the Naval Facilities Engineering Service Center at (805) 982-4895.

4.2 FINANCIAL DONATIONS TO THE QRP ACCOUNT. The QRP may accept financial donations from an organization on the installation, or by a club, private group, or individual. The donation is not limited to cash contributions but can also be equipment, labor, facilities, or material that may be recycled by the QRP.

4.3 PAYING TO PROMOTE THE RECYCLING PROGRAM. The QRP is responsible for paying the cost of advertising the program. The QRP may purchase T-shirts, baseball hats, and similar promotional items to help advertise the recycling program. The installation may elect to assist the QRP by donating base operating funds to offset some of the QRP costs such as advertising. The QRP recycling advertising program may also be able to use the installation's newspaper, television, the plan of the day, and other similar means of advertising at no cost to the QRP. The QRP can also generate recycling awareness through certain MWR events such as fun runs, golf, softball, or tennis tournaments by donating T-shirts, caps, and other items as prizes. The QRP committee will decide how to allocate funds for advertising.

4.4 PAYING FOR COLLECTION AND TRANSPORT OF RECYCLABLE MATERIALS. The installation is responsible for refuse collection and disposal. As part of that responsibility, the installation is also responsible for collecting and transporting the recyclable materials. The installation receives funds to collect refuse and scrap,

regardless of whether its destination is the landfill or recycling center. The installation is also responsible for collecting and transporting source segregated recyclable materials. Although the installation is responsible for collecting and transportation, the QRP may volunteer to cover these costs.

4.5 PURCHASING RECYCLING EQUIPMENT. Procure equipment for your QRP through the installation appropriations normally available for equipment acquisition, QRP net proceeds, or the PPEP. Construction of holding bins, sorting platforms or other recycling facility improvements must be paid with QRP sales proceeds. Acquisition of new or replacement equipment related only to recycling of solid and other waste must also be financed with QRP sales proceeds. Although the installation is responsible for purchasing all indoor and outdoor recycling collection containers, the QRP may volunteer to pay for these items. As another alternative, the EPR may be used to identify equipment funding needs. Plan ahead. These funds may not be available in the current fiscal year.

The PPEP provides pollution prevention equipment to RMS funded activities. To apply for pollution prevention equipment, contact your claimant. For a list of available equipment visit <http://enviro.nfesc.navy.mil/p2library/> or contact Naval Facilities Engineering Service Center at (805) 982-4895.

Another source of equipment is through the Defense Reutilization and Marketing Service (DRMS). DRMS collects used equipment from military installations for reuse. Call DRMS at (616) 961-4245 or visit their website at URL: <http://www.drms.dla.mil/> for information on available equipment.

4.6 PAYING FOR LABOR. There are a number of ways to obtain labor for recycling operations. Potential personnel sources include military, civilian, and contracted manpower; federal, state, county and military prisoners; physically and mentally challenged workers; and volunteers. Recycling managers must weigh various factors when deciding which labor force to use. Active duty military members working for the QRP do not have to be reimbursed for their labor which reduces QRP operational costs. Non-appropriated funded and appropriated funded civilian employees can also work for the QRP recycling program but their cost must be paid in full by the QRP. The QRP can also let a contract for civilian labor. Prison labor is inexpensive, but may not always be available and may require escorts. Volunteers, while usually enthusiastic, are not always available, and may incur unwanted liabilities.

Non-Appropriated Fund (NAF) labor can also be used. NAF labor may cost less than appropriated fund employees, because most NAF personnel are not subject to federal wage base standards.

4.7 WHO PAYS FOR WHAT? Table 4-1 illustrates the financial responsibilities for the installation and for the QRP.

Table 4-1. Who Pays for What

Installation O&M Pays For:	QRP Pays For:
Collection, transportation, and disposal of solid waste. (Disposal on or off the installation.)	Applicable QRP equipment maintenance and repair costs (determined locally). Also leased equipment costs.
Collecting recyclable materials from installation and housing areas and delivering to a central location (installation recycling facility or an off installation recycling facility). ¹	Costs of doing direct sales.
Compost operation on the installation.	Personnel performing QRP tasks and managers' salaries allocated to the QRP.
Landscaping. If landscaping is by contract, contractor takes waste to a composting facility on or off the installation.	Equipment purchased by QRP and used exclusively by the QRP ² (examples are blue bins, balers, forklifts).
Janitorial contract which includes collecting recyclable items and depositing to a central location.	Applied overhead costs.
Cost of recycling that takes place outside the QRP.	Awards and incentives.
Collection containers (bins, totes, dumpsters, etc).	
Cost of recycling construction and demolition debris ³	

¹Appropriated funds shall be used to pay for the cost of pickup and delivery of recyclable items to the QRP. If it costs more to bring it to the QRP than solid waste disposal costs, the QRP pays the difference.

²Pollution Prevention (P2) equipment purchased by appropriated funds, i.e., purchased under a P2 management plan. For example, a corrugated cardboard baler, can crushers, shredders, etc., that were purchased for waste disposal compliance are not reimbursable by the QRP. Equipment obtained from DRMO or other donated equipment is not reimbursable by the QRP.

³Recycling of C&D debris is encouraged by the DoD MoM. Recycling of C&D debris may be done in many innovative ways, such as: using recycling to offset the cost of the demolition contract, recycling through your QRP, and donation to your local community.

4.8 ALLOCATING PROCEEDS AFTER EXPENSES HAVE BEEN PAID. By law, the proceeds collected by a QRP must first cover program costs. If any funds remain, they can be allocated for other projects. The general equation for calculating profit or loss is:

$$\text{Profit or Loss} = \text{QRP Revenues} - \text{QRP Program Cost}$$

If the equation shows a profit or excess, the profits may be spent or the profits can accumulate in the suspense account (maximum amount \$2 million) and be carried over up to the next fiscal year.

Up to 50 percent of the net proceeds may be used for pollution abatement, pollution prevention, composting, alternative fueled vehicle infrastructure support and vehicle conversion, energy conservation, or occupational safety and health projects, with first consideration given to projects included in the installation's pollution prevention plans. Any remaining proceeds may be transferred to the non-appropriated Morale, Welfare, and Recreation account for any approved programs or retained in the QRP suspense account to cover anticipated future program costs. 10 U.S.C. 2577 limits the amounts that can be held in the QRP account at the end of any fiscal year resulting from the program to \$2 million. Amounts in excess of \$2 million are to be transferred to Miscellaneous Receipts of the Treasury. So, if you have \$4 million left over after covering program costs, \$2 million will be transferred to the Treasury at the end of the fiscal year unless the money is allocated to one of the aforementioned projects.

The QRP committee decides how to allocate the money. If the committee cannot reach a decision, then the installation commanding officer (or regional commander) or the appointed representative shall make the final decision. The base commanding officer (or regional commander) or the appointed representative also has the authority to override the decision of the committee, if he or she so chooses. The Comptroller's Office shall ensure that projects considered for local funding with recycling proceeds are not included in a normal military construction program.

4.9 ANNUAL BUDGETING. The Department of Defense Measure of Merit (MOM) Goal requires Navy and Marine Corps installations to divert 40 percent of their non-hazardous solid waste from landfills and incinerators through recycling and composting by the end of FY2005. To meet this requirement, QRPs may not always show a profit since the revenue from many recyclable materials is less than the cost of collecting and storing the materials. Nevertheless, these materials are less expensive to recycle than to dispose of in a landfill or incinerator. If the cost of recycling or composting is less than or equal to the cost of landfilling or incinerating, then it makes good economic and environmental sense to recycle. Consequently, installations are required by the MOM goal to recycle if it is less than or equal to the cost of landfilling or recycling.

If a QRP operates at a deficit during a given fiscal year as a result of trying to meet the MOM goal, the QRP may apply for funding to cover the deficit. CNO letter "Implementation and Funding of Legally Mandated (Level 1) Requirements for Non-Hazardous Solid Waste Diversion" of July 1999, describes a mechanism to request EPR money to help their claimancy achieve 40 percent solid waste diversion rate. After submitting the EPR, the QRP may receive auxiliary funding from either the claimant or the installation. If the QRP receives EPR money and the QRP has surplus funds at the end of the fiscal year, the QRP must repay the money it received before the end of the fiscal year. If the surplus is not enough to repay the creditor in full, then the QRP must

give all of its surplus funds to the creditor and the QRP will not have any funds left over for discretionary safety, environmental or MWR projects. The creditor will absorb the shortfall. This shortfall cannot be passed on to the QRP in the next fiscal year. The QRP starts the new fiscal year with a clean slate.

The DoD target diversion rate is to be achieved by the end of FY2005. It may take several years to build up programs to reach this goal due to facility, equipment, or labor deficiencies. Managers must determine how much of an increase in diversion rate the programs can realistically obtain from one year to the next and budget for those targeted increases. For example, a program may currently have a 15 percent diversion rate. The manager realizes that the program can feasibly increase the diversion rate to 25 percent in the next year without too much trauma and budgets accordingly. In the following year, the manager then targets to increase the diversion to 35 percent and budgets accordingly. Finally, the QRP reaches 40 percent diversion in the next year without too much difficulty.

Table 4-2 shows a sample projection of the QRP budget up to FY2004 as the manager plans to gradually increase the diversion rate. As shown, the QRP operates at a deficit as the diversion rate increases due to increases in labor, capital and operating expenses. The manager must be able to estimate the future budget, as shown below, in order to fill out the EPR and request the correct amount of funds to cover any estimated deficits in the future.

Table 4-2. Projected QRP Budget

Year	FY2000	FY2001	FY2002	FY2003	FY2004
Operating Expenses	\$120,000	\$200,000	\$250,000	\$270,000	\$275,000
Recycling Revenues	\$210,000	\$220,000	\$210,000	\$200,000	\$210,000
Capital Improvements	\$2,000	\$25,000	\$25,000	\$25,000	\$2,000
Profit or (Deficit)	\$88,000	(\$5000)	(\$65,000)	(\$95,000)	(\$67,000)
Diversion Rate	15%	25%	35%	40%	42%

CHAPTER 5 RECORDKEEPING

5.1 WHY KEEP RECORDS. Businesses must be able to justify why they were created and be open for external audit. A QRP acts like a business and is required to keep records. QRP's must keep accurate records in order to ensure all costs are covered before the money is used for either safety or environmental projects, or share with MWR. **NOT COVERING COSTS FIRST IS A VIOLATION OF PUBLIC LAW.** In addition to meeting requirements, good records provide a tool for market analysis and help QRP managers select the most appropriate way to operate a recycling program.

5.2 RECORDS FOR ORGANIZING QUALIFIED RECYCLING PROGRAMS

5.2.1 Business Plan. Description of the operation, feasibility study, cost-benefit study, market analysis, waste characterization, decision matrix (see Chapter 3).

5.2.2 Training Records

5.2.3 Prior Audit or Internal Review Reports

5.2.4 Management Control Reviews

5.2.5 Controls to Prevent the Sale of Excluded Items listed in DoD Instruction 4715.4

5.2.6 Minutes from QRP Committee

5.2.7 Direct Sales Approval Documentation. Documentation of decisions supporting adoption of direct sales by the installation.

5.2.8 Documentation in Your Business Plan Showing Consideration of Outsourcing for QRP Functions. If outsourcing is elected, contractors shall keep adequate records and provide summaries to the QRP Manager.

5.2.9 List of Buyers

5.3 DRMO SALES DOCUMENTS TO RETAIN. Keep the following documents of DRMO sales. See Appendix E for samples of these documents.

5.3.1 DD Form 1348-1, DTID. This form is used to record recyclables turned in to the DRMO. This form should contain the correct account and station codes, identify the appropriate program, and list material code, weight, and date of turn in.

5.5 RECORDS OF DIRECT SALES

5.5.1 Copies of the Following Documents for Direct Sales Shall Be Kept On File.

Samples of these documents are contained in Appendix E.

- Quotation Forms/Invitation For Proposal/Invitation For Bid
- Weight Certificates
- Shipment Receipts
- Cashier Record
- Deposit Record
- Check Copy
- Dun letters to buyers

5.5.2 Direct Sales Data. Keep records of direct sales on a database containing the following elements:

Table 5-2. Direct Sales Data

Control Number (Sequentially through Year)	Sales Date	Item Description	Sales Price	Company Name	Payment Due Date	Payment Date

5.6 SOLID WASTE ANNUAL REPORT (SWARBASE AND SWARHEADQUARTERS). The Solid Waste Annual Report Base (SWARBASE) Software tracks finances and the material quantities of the base solid waste program. The Solid Waste Annual Report Headquarters tracks finances and material quantities for a region. For a free copy of this software, contact DESCIM via the DENIX Web site: <http://www.denix.osd.mil/denix/DOD/dod.html> and choose **DESCIM PMO** to find the software.

5.7 RECORDS ON OPERATING AND OVERHEAD COSTS. Records on operating costs, including purchase of equipment, maintenance, program operation and expansion, labor costs, training, publicity, and overhead for processing recyclable materials, must be kept. See Chapter 3 for more information on cost allocation (these must be concurrent).

5.8 DISTRIBUTION OF PROCEEDS. Retain records of incomes and expenditures to track the distribution of proceeds.

5.9 RETENTION OF RECORDS. Generally maintain records for the current fiscal year and the two preceding fiscal years with the exception of documents chartering the program and documenting major decisions. Maintain and retain financial records for the length of time provided in DoD Financial Management Regulation. After three years, send all EPA tracking documents (i.e., manifests) to the environmental department for retention or retirement as required. Records involving the direct sale of hazardous materials/waste (used oil, lead batteries) that could result in Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) liability shall be maintained indefinitely. DRMS maintains sales records of hazardous property that could result in CERCLA actions for 50 years.

5.10 ADDITIONAL REQUIREMENTS. Depending on the type of sales and recyclables sold, additional documents should be retained. For example, keep EPA transportation control numbers, certificates of destruction, and end use certificates for the sale of batteries and oil documenting the handling of these materials by a permitted recycler.

5.11 INSPECTIONS AND AUDITS. To be sure you are meeting the requirements set forth in DoD Instruction 4715.4 and your service guidance, conduct periodic self-inspections and reviews to find problems and correct them. Avail yourself of internal review resources by meeting with installation internal review officials to discuss past and future coverage of the program. Several actions may facilitate relations with outside reviewers. In advance of visits, request information on what documents and individuals the review team will want to see during the visit. Remember, while the review team may collectively possess the skills and knowledge needed for the review, individuals may have different specific knowledge of the program. Keep the team informed about the overall program by preparing and retaining, on hand, a brief summary of the program that will provide useful background information for the reviewers.

The complexity of managing a QRP, and ensuring that it complies with all laws and DoD policies, is the reason for the focus of this Guide – operating a recycling program as a business. In the past, some DoD installations have failed to operate their QRPs in accordance with the law and DoD policies. Evidence of these failures is found in reviews performed by the General Accounting Office, the DoD Inspector General, and the Military Department Inspector General. For DoD to retain the privilege provided in 10 U.S.C. §2577 regarding the retention of sales proceeds, commanders and QRP managers must operate QRPs in accordance with the law and under the directions of this Guide.

Installation commanders and QRP managers should be alert to the possibility of fraud and corruption. When suspicious situations occur such as repeated complaints or discrepancies that cannot be reconciled, call audit, internal review, or criminal investigative personnel for assistance.

5.12 ANNUAL SOLID WASTE REPORTING REQUIREMENTS. Both OPNAVINST 5090.1B and MCO P5090.2A require installations to report solid waste data to the Naval Facilities Engineering Service Center on an annual basis. You can report the data on either the Pollution Prevention Annual Data Summary (P2ADS) or the SWARBASE. For information on P2ADS, contact Carolejo Adams at (805) 982-4872.

5.12.1 Reporting for Regional QRP Programs. Although two or more installations may have one regional QRP, each installation must complete its own P2ADS or SWARBASE report for submission to NFESC. Each major claimant needs the data from all of its installations to determine its progress toward meeting the DoD Solid Waste Measure of Merit (MOM) goal.

CHAPTER 6

WORKING CAPITAL FUND RECYCLING

6.1 GENERAL. Working Capital Fund activities can donate their QRP recyclable scrap to the installation QRP. The sales proceeds of the WCF scrap would then be deposited into the QRP suspense account, **F3875 "Budget Clearing Account", and allocated according to Section 4.9. The WCF can also sell their QRP recyclable scrap through DRMO and collect the proceeds to offset their overhead costs. The WCF must remember that metal scrap from their industrial processes is an excluded material and must be sold through DRMO with the proceeds retained by DRMO.

6.2 SENDING WCF RECYCLABLE MATERIAL TO ANOTHER

INSTALLATION. If there is no QRP at the installation where the WCF is located, the WCF may donate their QRP recyclable materials to an installation with a QRP in their region, regardless of whether the activity is Air Force, Army, Marine Corps or Navy owned. The WCF can report the quantity of the recycled material in Pollution Prevention Annual Data Summary.

6.3 RECYCLING THROUGH DRMO. As with RMS activities, WCFs are responsible for paying transportation costs of any material transported to the receiver site. The WCF may choose to broker their material through DRMO while storing the material at their facility to reduce or entirely avoid transportation costs. The vendor can then pick up the recyclable material from the storage areas on base. DRMO reimburses the WCF for the sales proceeds of the QRP recyclable materials (less their costs) and retains the sales proceeds of the metal scrap purchased by the WCF. Another alternative for the WCF is to negotiate a reduction in the cost of their solid waste disposal and collection contract by allowing the collection contractor to keep all recyclable material extracted from the waste stream.

6.4 WCF QRP FUNDING MECHANISMS. A WCF is not eligible to receive equipment from the Pollution Prevention Equipment Program nor can it receive Pollution Prevention funds to purchase recycling bins, balers, can crushers, and other equipment to process and store recyclables. However, the WCF may receive Productivity Investment Funds (PIF). These funds can be used for a wide range of cost- and labor-saving capital investments, which could include equipment of facilities in support of recycling. Three funds are available that cover a broad spectrum of activities and functions. These funds operate under DoD Instruction 5010.36 (contained in Appendix N, which provides uniform project documentation formats and criteria for project selection and military post investment appraisal). The three funds available are the PIF, Component Sponsored Investment Program (CSIP), and Fast Payback Capital Investment (FASCAP) fund. The FASCAP is the most appropriate to a QRP. Each fund is briefly described below:

- The PIF is limited to long-range projects with costs greater than \$150,000.

- The CSIP fund complements PIF but is more flexible. Investment limits and availability of funding vary depending on the annual budget allocation within each service.
- FASCAP investments are limited to projects with costs ranging between \$3,000 and \$150,000. Projects selected for FASCAP financing must be expected to return costs within two years.

LIST OF REFERENCES

1. Resource Conservation and Recovery Act, as amended by the Hazardous and Solid Waste Amendments of 1986.
2. 10 USC 2577, Disposal of Recyclable Materials.
3. Section 484 of title 40, United States Code.
4. DoD Instruction 4715.4, "Pollution Prevention," June 18, 1996.
5. Title 32, Code of Federal Regulations, Part 172, "Disposition of Proceeds from DoD Sales of Surplus Property," current edition.
6. Executive Order 13101, "Federal Acquisition, Recycling, and Waste Prevention," September 14, 1998.
7. Solid Waste Disposal Act of 1976.
8. DoD 4160.21-M, "Defense Materiel Disposition Manual," August 1997, authorized by DoD Directive 4160.21, December 5, 1980.
9. DLA's Firing Range Policy.
10. DoD 4160.21-M-1, "Defense Demilitarization Manual," Change 1, February 14, 1995, authorized by DoD Directive 4160.21, "DoD Personal Property Utilization and Disposal Program," December 5, 1980 and DoD Instruction 4130.27, "Demilitarization of Materiel," December 14, 1988.

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Chapter 10 of title 40, United States Code.

Comprehensive Environmental Response Compensation and Liability Act of 1980 and the Superfund Amendments and Reauthorization Act of 1986.

Comptroller for Defense Logistics Agency Memorandum, "Revised Policy on Disposition of Proceeds," June 25, 1998.

Defense Logistic Agency's Revised Policy on Disposition of Proceeds, May 12, 1999.

Deputy Under Secretary of Defense for Environmental Security Memorandum, "New DoD Pollution Prevention Measure of Merit," May 13, 1998.

Deputy Under Secretary of Defense for Environmental Security Memorandum, "Recycling of Firing Range Scrap Consisting of Expended Brass and Mixed Metals Gleaned From Firing Range Clearance Through Qualified Recycling Programs," May 15, 1998.

DoD 7000.14-R, "DoD Financial Management Regulation," current edition, authorized by DoD Instruction 7000.14, November 15, 1992.

DoD Directive 4100.15, "Commercial Activities Program," March 10, 1989.

DoD Directive 4165.60, "Solid Waste Management - Collection, Disposal, Resource Recovery, and Recycling Program," October 4, 1976.

DoD Directive 5010.38, "Management Control (MC) Program," August 28, 1996.

Federal Register, Volume 62, page 6621, February 12, 1997.

Military Construction Codification Act of 1982.

Section 552a of title 5, United States Code.

Section 1342 of title 31, United States Code.

Section 2208 of title 10, United States Code.

Section 2216a of title 10, United States Code.

Section 2778 of title 22, United States Code.

Section 6901 of title 42, United States Code.

Title 22, Code of Federal Regulations, Subchapter M, "International Traffic in Arms Regulations," current edition.

Title 40, Code of Federal Regulations, Part 243, "Guidelines for the Storage and Collection of Residential, Commercial, and Institutional Solid Waste".

Title 40, Code of Federal Regulations, Part 262, "Standards Applicable to Generators of Hazardous Waste," current edition.

Title 40, Code of Federal Regulations, Part 266, Subpart G, "Spent Lead-Acid Batteries Being Reclaimed," current edition.

Title 40, Code of Federal Regulations, Part 273, "Standards for Universal Waste Management," current edition.

Title 40, Code of Federal Regulations, Part 279, "Standards for the Management of Used Oil," current edition.

Title 40, Code of Federal Regulations, Part 302, "Designation, Reportable Quantities, and Notification," current edition.

Title 41, Code of Federal Regulations, Part 101-45 and 101-46, "Sales of Government Personal Property".

APPENDIX A
FEDERAL INSTRUCTIONS, LAWS AND DIRECTIVES

APA.1. SUMMARY OF REGULATORY REQUIREMENTS

The requirements for QRPs within DoD Components are based on Public Laws, United States Code, and Executive Orders. DoD has issued implementing guidance and procedures as directives, regulations, instructions, policy memoranda, manuals, and handbooks. When there are conflicts or contradictions, the latest policy on an issue or subject area is usually considered valid and should be followed. The most significant QRP Federal requirements in this Guide are shown in full or summarized in this Appendix.

APA.2. DoD Instruction 4715.4, "Pollution Prevention," June 18, 1996 (Supersedes DoD Policy Memoranda.)

APA.2.1. Implements policy, assigns responsibility, and prescribes procedures for implementation of pollution prevention (P2) programs throughout DoD. Designates Executive Agents to lead DoD implementation of key P2 programs.

APA.2.2. Emphasizes P2 as the alternative of choice, and adopts the environmental management hierarchy of solutions, in order of preference: Prevent, eliminate or minimize at the source; Reuse what cannot be eliminated and recycle what can not be reused; Safely treat what cannot be eliminated or recycled; and safely dispose or release only as a last resort what cannot be eliminated or recycled.

APA.2.3. Requires DLA to establish procedures and controls for DRMS sale of recyclables to return 100 percent of proceeds to QRPs, less DRMS costs of sales and handling.

APA.2.4. Requires Military Departments to establish procedures that:

APA.2.4.1. Ensure that all installations have, or participate in, a QRP to serve host and tenant organizations alike. Ensure that GOCO and other types of contracts are modified where cost-effective to include recycling programs.

APA.2.4.2. Ensure that QRP procedures address recyclable materials, excluded materials, and other qualified recycling program materials. Controls ensure that 32 CFR Part 172.2(b)(3) excluded materials are not sold through a QRP.

APA.2.4.3. Authorize installations to sell directly recyclable and other qualified recycling program materials, or to consign them to DRMS for sale. Direct sales procedures must follow U.S. trade security controls (DoDI 4160.27 and DoD 4160.21-M-1) when selling firing range-expended brass or mixed metals gleaned from firing range clean up that do not require demilitarization and that are not Munitions List Items or Strategic List Items. Expended brass shall be crushed, shredded, or otherwise destroyed prior to public sale.

APA.2.4.4. Ensure that the distribution of recycling proceeds is consistent with 10 U.S.C. §2577, such that sales proceeds are first used to cover costs directly attributable to the QRP, and that up to 50% of the remaining proceeds may be used for DoD Instruction 4715.4 listed environmental, energy, or safety and health projects. Any remaining proceeds may be transferred to the MWR account.

APA.2.4.5. Establish accounting and control systems for management and audit information, materials and sales/cost/expenditure tracking.

APA.2.4.6. Operate, or participate in, a composting program, if practicable.

APA.3. Solid Waste Disposal Act of 1976, as amended, 42 U.S.C. §6901, et seq., (commonly known as the Resource Conservation and Recovery Act (RCRA)), 40 CFR 240-272, as amended, §6002.

APA.3.1. Eliminates unnecessary virgin materials and prohibitions against recovered materials in specifications;

APA.3.2. Adds preference for recovered materials; and

APA.3.3. Requires affirmative procurement program for EPA (recycled) Guideline items.

APA.4. 10 U.S.C. §2577, "Disposal of Recyclable Materials," Military Construction Codification Act of 1982, PL 97-214

(a)(1) The Secretary of Defense shall prescribe regulations to provide for the sale of recyclable materials held by a military department of defense agency and for the operation of recycling programs at military installations. Such regulations shall include procedures for the designation by the Secretary of a military department (or by the Secretary of Defense with respect to facilities of a defense agency) of military installations that have established a qualifying recycling program for the purposes of Subsection (b)(2).

(2) Any sale of recyclable materials by the Secretary of Defense or Secretary of a military department shall be in accordance with the procedures in Section 203 of the Federal Property Administration Services Act of 1949 (40 U.S.C. §4894) for the sale of surplus property.

(b)(1) Proceeds from the sale of recyclable materials at an installation shall be credited to funds available for operations and maintenance at that installation in amounts sufficient to cover the costs of operations, maintenance, and overhead for processing recyclable materials at the installation (including the cost of any equipment purchased for recycling purposes).

(2) If after such funds are credited a balance remains available to a military installation and such installation has a qualifying recycling program (as determined by the Secretary of the military department concerned or the Secretary of Defense), not more than 50 percent of that balance may be used at the installation for projects for pollution abatement, energy conservation, and occupational safety and health activities. A project may not be carried under the preceding sentence for an amount greater than 50 percent of the amount established by law as the maximum amount for a minor construction project.

(3) The remaining balance available to a military installation may be transferred to the non-appropriated morale and welfare account of the installation to be used for any morale or welfare activity.

(c) If the balance available to a military installation under this section at the end of any fiscal year is in excess of \$2,000,000, the amount of that excess shall be covered into the Treasury as miscellaneous receipts.

APA.5. 40 U.S.C. §484, "DISPOSAL OF SURPLUS PROPERTY"

This Section is also referred to as the "Federal Property and Administrative Services Act of 1949," P.L. 152.

(a) Supervision and direction

Except as otherwise provided in this section, the Administrator shall have supervision and direction over the disposition of surplus property. Such property shall be disposed of to such extent, at such time, in such areas, by such agencies, at such terms and conditions, and in such manner, as may be prescribed in or pursuant to this Act.

(b) Care and handling

The care and handling of surplus property, pending its disposition, and the disposal of surplus property, may be performed by the General Services Administration or, when so determined by the Administrator, by the executive agency in possession thereof or by any other executive agency consenting thereto.

(c) Method of disposition

Any executive agency designated or authorized by the Administrator to dispose of surplus property may do so by sale, exchange, lease, permit, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Administrator deems proper, and it may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this subchapter.

(d) Validity of deed, bill of sale, lease, etc.

A deed, bill of sale, lease, or other instrument executed by or on behalf of any executive agency purporting to transfer title or any other interest in surplus property under this subchapter shall be conclusive evidence of compliance with the provisions of this subchapter insofar as concerns title or other interest of any bona fide grantee or transferee for value and without notice of lack of such compliance.

(e) Bids for disposal; advertising; procedure; disposal by negotiation; explanatory statement

(1) All disposals or contracts for disposal of surplus property (other than by abandonment, destruction, donation, or through contract brokers) made or authorized by the Administrator shall be made after publicly advertising for bids, under regulations prescribed by the Administrator, except as provided in paragraphs (3) and (5) of this subsection.

(2) Whenever public advertising for bids is required under paragraph (1) of this subsection:

(A) the advertisement for bids shall be made at such time previous to the disposal or contract, through such methods, and on such terms and conditions as shall permit that full and free competition which is consistent with the value and nature of the property involved;

(B) all bids shall be publicly disclosed at the time and place stated in the advertisement;

(C) award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Government, price and other factors considered: Provided, that all bids may be rejected when it is in the public interest to do so.

(3) disposals and contracts for disposal may be negotiated, under regulations prescribed by the Administrator, without regard to paragraphs (1) and (2) of this subsection but subject to obtaining such competition as is feasible under the circumstances, if:

(A) necessary in the public interest during the period of a national emergency declared by the President or the Congress, with respect to a particular lot or lots of personal property or, for a period not exceeding three months, with respect to a specifically described category or categories of personal property as determined by the Administrator;

(B) the public health, safety, or national security will thereby be promoted by a

particular disposal of personal property;

(C) public exigency will not admit of the delay incident to advertising certain personal property;

(D) the personal property involved is of a nature and quantity which, if disposed of under paragraphs (1) and (2) of this subsection, would cause such an impact on an industry or industries as adversely to affect the national economy, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation;

(E) the estimated fair market value of the property involved does not exceed \$15,000;

(F) bid prices after advertising therefor are not reasonable (either as to all or some part of the property) or have not been independently arrived at in open competition;

(G) with respect to real property only, the character or condition of the property or unusual circumstances make it impractical to advertise publicly for competitive bids and the fair market value of the property and other satisfactory terms of disposal can be obtained by negotiation;

(H) the disposal will be to States, Territories, possessions, political subdivisions thereof, or tax-supported agencies therein, and the estimated fair market value of the property and other satisfactory terms of disposal are obtained by negotiation; or

(I) otherwise authorized by this Act or other law.

(4) Disposals and contracts for disposal of surplus real and related personal property through contract realty brokers employed by the Administrator shall be made in the manner followed in similar commercial transactions under such regulations as may be prescribed by the Administrator: Provided, that such regulations shall require that wide public notice of availability of the property for disposal be given by the brokers.

(5)(A) Negotiated sales of personal property at fixed prices may be made by the Administrator either directly or through the use of disposal contractors without regard to the limitations set forth in paragraphs (1) and (2) of this subsection: Provided, that such sales shall be publicized to the extent consistent with the value and nature of the property involved, that the prices established shall reflect the estimated fair market value thereof, and that such sales shall be limited to those categories of personal property as to which the Administrator determines that such method of disposal will best serve the interests of the Government.

(B) Under regulations and restrictions to be prescribed by the Administrator, property to be sold pursuant to this paragraph may be offered to organizations specified

in paragraph (3) (H) of this subsection that have expressed an interest in the property to permit such an organization a prior opportunity to purchase at the prices fixed for such property.

(6)(A) Except as otherwise provided by subparagraph (C) of this paragraph, an explanatory statement shall be prepared of the circumstances of each disposal by negotiation of:

(i) any personal property which has an estimated fair market value in excess of \$15,000;

(ii) any real property that has an estimated fair market value in excess of \$100,000; except that any real property disposed of by lease or exchange shall only be subject to clauses (iii) through (v) of this subparagraph;

(iii) any real property disposed of by lease for a term of 5 years or less, if the estimated fair annual rent is in excess of \$100,000 for any of such years;

(iv) any real property disposed of by lease for a term of more than 5 years, if the total estimated rent over the term of the lease is in excess of \$100,000; or

(v) any real property of real and related personal property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.

(B) Each such statement shall be transmitted to the appropriate committees of the Congress in advance of such disposal, and a copy thereof shall be preserved in the files of the executive agency making such disposal.

(C) No such statement need be transmitted to any such committee with respect to any disposal of personal property made under paragraph (5) at a fixed price, or to property disposals authorized by any other provision of law to be made without advertising.

(D) The annual report of the Administrator under section 492 of this title shall contain or be accompanied by a listing and description of any negotiated disposals of surplus property having an estimated fair market value of more than \$15,000, in the case of real property, or \$5,000, in the case of any other property, other than disposals for which an explanatory statement has been transmitted under this paragraph.

(7) Section 5 of title 41 shall not apply to disposals or contracts for disposal made under this subsection.

(f) Contractor inventories

Subject to regulations of the Administrator, any executive agency may authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventory.

(g) Agricultural commodities, foods, and cotton or woolen goods.

The Administrator, in formulating policies with respect to the disposal of surplus agricultural commodities, surplus foods processed from agricultural commodities and surplus cotton or woolen goods, shall consult with the Secretary of Agriculture. Such policies shall be so formulated as to prevent surplus agricultural commodities, or surplus food processed from agricultural commodities, from being dumped on the market in a disorderly manner and disrupting the market prices for agricultural commodities.

(h) Transfer to Department of Agriculture for price support or stabilization reasons; deposit of receipts; limitation on sale of surplus farm commodities.

Whenever the Secretary of Agriculture determines such action to be required to assist him in carrying out his responsibilities with respect to price support or stabilization, the Administrator shall transfer without charge to the Department of Agriculture any surplus agricultural commodities, foods, or cotton or woolen goods to be disposed of. Receipts resulting from disposal by the Department of Agriculture, except that net proceeds of any sale of surplus property so transferred shall be credited pursuant to section 485(b) of this title, when applicable. Surplus farm commodities so transferred shall not be sold, other than for export, in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodities by the Commodity Credit Corporation.

(i) Vessels; laws governing sales

The Maritime Administration shall dispose of surplus vessels of one thousand five hundred gross tons or more which the Administration determines to be merchant vessels or capable of conversion to merchant use, and such vessels shall be disposed of only in accordance with the provisions of the Merchant Marine Act, 1936, as amended (46 App. U.S.C. 1101 et seq.), and other laws authorizing the sale of such vessels.

(j) Transfers for donation of property to State agencies; State plan of operation; 'public agency' and 'State' defined

(1) Under such regulations as he may prescribe, the Administrator is authorized in his discretion to transfer, without cost (except for costs of care and handling), any personal property under the control of any executive agency which has been determined to be surplus property to the State agency in each State designated under State law as the agency responsible for the fair and equitable distribution, through donation, of all property transferred in accordance with the provisions of paragraphs (2) and (3) of this subsection. In determining whether the property is to be transferred for donation under

this subsection, no distinction shall be made between property capitalized in a working-capital fund established under section 2208 of title 10, or any similar fund, and any other property.

(2) In the case of surplus personal property under the control of the Department of Defense, the Secretary of Defense shall determine whether such property is usable and necessary for educational activities which are of special interest to the armed services, such as maritime academies, or military, naval, Air Force, or Coast Guard preparatory schools. If the Secretary determines that such property is usable and necessary for said purposes, the Secretary shall allocate it for transfer by the Administrator to the appropriate State agency for distribution, through donation, to such educational activities. If the Secretary determines that such property is not usable and necessary for such purposes, it may be disposed of in accordance with paragraph (3) of this subsection.

(3) Except for surplus personal property transferred pursuant to paragraph (2) of this subsection, the Administrator shall, pursuant to criteria which are based on need and utilization and established after such consultation with State agencies as is feasible, allocate such property among the States in a fair and equitable basis (taking into account the condition of the property as well as the original acquisition cost thereof), and transfer to the State agency property selected by it for distribution through donation within the State:

(A) to any public agency for use in carrying out or promoting for the residents of a given political area one or more public purposes, such as conservation, economic development, education, parks and recreation, public health, and public safety; or

(B) to nonprofit educational or public health institutions or organizations, such as medical institutions, hospitals, clinics, health centers, drug abuse treatment centers, providers of assistance to homeless individuals, schools, colleges, universities, schools for the mentally retarded, schools for the physically handicapped, child care centers, radio and television stations licensed by the Federal Communications Commission as educational radio or educational television stations, museums attended by the public, and libraries serving free all residents of community, district, State, or region, which are exempt from taxation under section 501 of title 26, for purposes of education or public health (including research for any such purpose).

The Administrator, in allocating and transferring property under this paragraph, shall give fair consideration, consistently with the established criteria, to expressions of need and interest on the part of public agencies and other eligible institutions within that State, and shall give special consideration to requests by eligible recipients, transmitted through the State agency, for specific items of property.

(4)(A) Before property may be transferred to any State agency, such State shall develop, according to State law, a detailed plan of operation, developed in conformity with the provisions of this subsection, which shall include adequate assurance that the

State agency has the necessary organizational and operational authority and capability, including staff, facilities, means and methods of financing, and procedures with respect to: accountability, internal and external audits, cooperative agreements, compliance and utilization reviews, equitable distribution and property disposal, determination of eligibility, and assistance through consultation with advisory bodies and public and private groups. The chief executive officer shall certify and submit the plan to the Administrator. In the event that a State legislature has not developed, according to State law, a State plan within two hundred and seventy calendar days after October 17, 1976, the chief executive officer of the State shall approve, and submit to the Administrator, a temporary State plan. No such plan, and no major amendment thereof, shall be filed with the Administrator until sixty days after general notice of the proposed plan or amendment has been published and interested persons have been given at least thirty days during which to submit comments. In developing and implementing the State plan, the relative needs and resources of all public agencies and other eligible institutions within the State shall be taken into consideration. The Administrator may consult with interested Federal agencies for purposes of obtaining their views concerning the administration and operation of this subsection.

(B) The State plan shall provide for the fair and equitable distribution of property within such State based on the relative needs and resources of interested public agencies and other eligible institutions within the State and their abilities to utilize the property.

(C)(i) The State plan of operation shall require the State agency to utilize a management control system and accounting system for donable property transferred under this section of the same types as are required by State law for State-owned property, except that the State agency, with the approval of the chief executive officer of the State, may elect, in lieu of such systems, to utilize such other management control and accounting systems as are effective to govern the utilization, inventory control, accountability, and disposal of property under this subsection.

(ii) The State plan of operation shall require the State agency to provide for the return of donable property for further distribution if such property, while still usable, has not been placed in use for the purpose for which it was donated within one year of donation or ceases to be used by the donee for such purposes within one year of being placed in use.

(iii) The State plan shall require the State agency, insofar as practicable, to select property requested by a public agency or other eligible institution within the State and, if so requested by the recipient, to arrange shipment of that property, when acquired, directly to the recipient.

(D) Where the State agency is authorized to assess and collect service charges from participating recipients to cover direct and reasonable indirect costs of its activities, the method of establishing such charges shall be set out in the State plan of operation. Such charges shall be fair and equitable and shall be based on services performed by the

State agency, including, but not limited to, screening, packing, crating, removal, and transportation.

(E) The State plan of operation shall provide that the State agency may impose reasonable terms, conditions, reservations, and restrictions on the use of property to be donated under paragraph (3) of this subsection and shall impose such terms, conditions, reservations, and restrictions in the case of any passenger motor vehicle and any item of other property having a unit acquisition cost of \$5,000 or more. If the Administrator finds that an item or items have characteristics that require special handling or use limitations, he may impose appropriate conditions on the donation of such property.

(F) The State plan of operation shall provide that surplus property which the State agency determines cannot be utilized by eligible recipients shall be disposed of -

(i) subject to the disapproval of the Administrator within thirty days after notice to him, through transfer by the State agency to another State agency or through abandonment or destruction where the property has no commercial value or the estimated cost of its continued care and handling would exceed the estimated proceeds from its sale; or

(ii) otherwise pursuant to the provisions of this Act under such terms and conditions and in such manner as may be prescribed by the Administrator.

Notwithstanding sections 485 and 512(c) of this title, the Administrator, from the proceeds of sale of any such property, may reimburse the State agency for such expenses relating to the care and handling of such property as he shall deem appropriate.

(5) As used in this subsection, (A) the term 'public agency' means any State, political subdivision thereof (including any unit of local government or economic development district), or any department, agency, instrumentality thereof (including instrumentalities created by compact or other agreement between States or political subdivisions), or any Indian tribe, band, group, pueblo, or community located on a State reservation and (B) the term 'State' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, Virgin Islands, Guam, and American Samoa.

(k) Disposals by Secretary of Education, Secretary of Health and Human Services, Secretary of the Interior, and Secretary of Defense

(1) Under such regulations as he may prescribe, the Administrator is authorized, in his discretion, to assign to the Secretary of Education or the Secretary of Health and Human Services for disposal such surplus real property, including buildings, fixtures, and equipment situated thereon, as is recommended by the Secretary of Education or the Secretary of Health and Human Services as being needed for school, classroom, or other educational use, or for use in the protection of public health, including research.

(A) Subject to the disapproval of the Administrator within thirty days after notice to him by the Secretary of Education of a proposed transfer of property for school, classroom, or other educational use, the Secretary of Education through such officers or employees of the Department of Education as he may designate, may sell or lease such real property, including buildings, fixtures, and equipment situated thereon, for educational purposes to the States and their political subdivisions and instrumentalities, and tax-supported educational institutions, and to other nonprofit educational institutions which have been held exempt from taxation under section 501(c)(3) of title 26.

(B) Subject to the disapproval of the Administrator within thirty days after notice to him by the Secretary of Health and Human Services of a proposed transfer of property for public-health use, the Secretary of Health and Human Services, through such officers or employees of the Department of Health and Human Services as he may designate, may sell or lease such real property for public-health purposes, including research, to the States and their political subdivisions and instrumentalities, and to tax-supported medical institutions, and to hospitals or other similar institutions not operated for profit which have been held exempt from taxation under section 501(c)(3) of title 26.

(C) In fixing the sale or lease value of property to be disposed of under subparagraph (A) and subparagraph (B) of this paragraph, the Secretary of Education and the Secretary of Health and Human Services shall take into consideration any benefit which has accrued or may accrue to the United States from the use of such property by any such State, political subdivision, instrumentality, or institution.

(D) 'States' as used in this subsection includes the District of Columbia, the Commonwealth of Puerto Rico, and the Territories and possessions of the United States.

(2) Under such regulations as he may prescribe, the Administrator is authorized, in his discretion, to assign to the Secretary of the Interior for disposal, such surplus real property, including buildings, fixtures, and equipment situated thereon, as is recommended by the Secretary of the Interior as needed for use as a public park or recreation area.

(A) Subject to the disapproval of the Administrator within thirty days after notice to him by the Secretary of the Interior of a proposed transfer of property for public park or public recreational use, the Secretary of the Interior, through such officers or employees of the Department of the Interior as he may designate, may sell or lease such real property, including buildings, fixtures, and equipment situated thereon, for public park or public recreational purposes to any State, political subdivision, instrumentalities thereof, or municipality.

(B) In fixing the sale or lease value of property to be disposed of under subparagraph (A) of this paragraph, the Secretary of the Interior shall take into consideration any benefit which has accrued or may accrue to the United States from the use of such property by any such State, political subdivision, instrumentality, or

municipality.

(C) The deed of conveyance of any surplus real property disposed of under the provisions of this subsection:

(i) shall provide that all such property shall be used and maintained for the purpose for which it was conveyed in perpetuity, and that in the event that such property ceases to be used or maintained for such purpose during such period, all or any portion of such property shall in its then existing condition, at the option of the United States, revert to the United States; and

(ii) may contain such additional terms, reservations, restrictions, and conditions as may be determined by the Secretary of the Interior to be necessary to safeguard the interests of the United States.

(D) 'States' as used in this subsection includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

(3) Without monetary consideration to the United States, the Administrator may convey to any State, political subdivision, instrumentalities thereof, or municipality, all of the right, title, and interest of the United States in and to any surplus real and related personal property which the Secretary of the Interior has determined is suitable and desirable to use as a historic monument, for the benefit of the public. No property shall be determined to be suitable or desirable for use as a historic monument except in conformity with the recommendation of the Advisory Board on National parks, Historic Sites, Buildings and Monuments established by section 463 of title 16, and only so much of any such property shall be so determined to be suitable or desirable for which such use as is necessary for the preservation and proper observation of its historic features.

(A) The Administrator may authorize use of any property conveyed under this subsection or the Surplus Property Act of 1944, as amended, for revenue-producing activities if the Secretary of the Interior (i) determines that such activities are compatible with use of the property for historic monument purposes, (ii) approves the grantee's plan for repair, rehabilitation, restoration, and maintenance of the property, and (iii) approves the grantee's plan for financing repair, rehabilitation, restoration, and maintenance of the property. The Secretary shall not approve a financial plan unless it provides that incomes in excess of costs of repair, rehabilitation, restoration, and maintenance shall be used by the grantee only for public historic preservation, park, or recreational purposes. The Administrator may not authorize any uses under this subsection until the Secretary has examined and approved the accounting and financial procedures used by the grantee. The Secretary may periodically audit the records of the grantee, directly related to the property conveyed.

(B) The deed of conveyance of any surplus real property disposed of under the provisions of this subsection -

(i) shall provide that all such property shall be used and maintained for historical monument purposes in perpetuity, and that in the event that the property ceases to be used or maintained for that purpose, all or any portion of the property shall, in its then existing condition, at the option of the United States, revert to the United States; and

(ii) may contain such additional terms, reservations, restrictions, and conditions as may be determined by the Administrator to be necessary to safeguard the interests of the United States.

(C) "States" as used in this subsection, includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

(4) Subject to the disapproval of the Administrator within thirty days after notice to him of any action to be taken under this subsection, except with respect to personal property transferred pursuant to subsection (j) of this section:

(A) The Secretary of Education, through such officers or employees of the Department of Education as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions, and instrumentalities thereof, and tax-supported and other non-profit educational institutions for school, classroom or other educational use;

(B) The Secretary of Health and Human Services, through such officers or employees of the Department of Health and Human Services as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions and instrumentalities thereof, tax-supported medical institutions, and to hospitals and other similar institutions not operated for profit, for use in the protection of public health (including research);

(C) The Secretary of the Interior, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended and pursuant to this Act, to States, political subdivisions, and instrumentalities thereof, and municipalities for use as a public park, public recreational area, or historic monument for the benefit of the public; or

(D) The Secretary of Defense, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, to States, political subdivisions, and tax-supported instrumentalities thereof for use in the training and maintenance of civilian components of the armed forces is authorized and directed:

(i) to determine and enforce compliance with the terms, conditions, reservations, and restrictions contained in any instrument by which such transfer was made;

(ii) to reform, correct, or amend any such instrument by the execution of a corrective, reformative or amendatory instrument where necessary to correct such

instrument or to conform such transfer to the requirements of applicable law; and

(iii) to (I) grant releases from any of the terms, conditions, reservations and restrictions contained in, and (II) convey, quitclaim, or release to the transferee or other eligible user any right or interest reserved to the United States by, any instrument by which such transfer was made, if he determines that the property so transferred no longer serves the purpose for which it was transferred, or that such release, conveyance, or quitclaim deed will not prevent accomplishment of the purpose for which such property was so transferred: Provided, That any such release, conveyance, or quitclaim deed may be granted on, or made subject to, such terms and conditions as he shall deem necessary to protect or advance the interests of the United States.

(l) Donations to American Red Cross

Under such regulations as he may prescribe, the Administrator is authorized in his discretion to donate to the American National Red Cross, for charitable purposes, such property, which was processed, produced, or donated by the American National Red Cross, as shall have been determined to be surplus property.

(m) Possession of abandoned or unclaimed property on Government premises; disposal; claims by former owners

The Administrator is authorized to take possession of abandoned and other unclaimed property on premises owned or leased by the Government, to determine when title thereto vested in the United States, and to utilize, transfer or otherwise dispose of such property. Former owners of such property upon proper claim filed within three years from the date of vesting of title in the United States shall be paid the proceeds realized from the disposition of such property or, if the property is used or transferred, the fair value therefor as of the time title was vested in the United States as determined by the Administrator, less in either case the costs incident to the care and handling of such property as determined by the Administrator.

(n) Cooperative agreements with the State agencies

For the purpose of carrying into effect the provisions of subsection (j) of this section, the Administrator or the head of any Federal agency designated by the Administrator, and, with respect to subsection (k)(1) of this section, the Secretary of Education, the Secretary of Health and Human Services, or the head of any Federal agency designated by the Secretary, are authorized to enter into cooperative agreements with State surplus property distribution agencies designated in conformity with subsection (j) of this section. Such cooperative agreements may provide for utilization by such Federal agency, with or without payment or reimbursement, of the property, facilities, personnel, and services of the State agency in carrying out any such program, and for making available to such State agency, with or without payment or reimbursement, property, facilities, personnel, or services of such Federal agency in

connection with such utilization. Payment or reimbursement, if any, from the State agency shall be credited to the fund or appropriation against which charges would be made if no payment or reimbursement were received. In addition, under such cooperative agreements and subject to such other conditions as may be imposed by the Administrator, or with respect to subsection (k)(1) of this section by the Secretary of Education or the Secretary of Health and Human Services, any surplus property transferred to the State agency for distribution pursuant to subsection (j)(3) of this section may be retained by the State agency for use in performing its functions. Unless otherwise directed by the Administrator, title to property so retained shall vest in the State agency.

(o) Annual reports to Congress and to Administrator by agencies disposing of property; biennial reports to Congress by Administrator, copies to Comptroller General

(1) With respect to real and related personal property transferred or conveyed under subsection (p) of this section and real property disposed of under subsection (k) of this section and section 13(g) of the Surplus Property Act of 1944 (50 U.S.C. App. 1622(g)), the head of each executive agency disposing of such property shall submit during the calendar quarter following the close of each fiscal year a report to the Congress and to the Administrator showing the acquisition cost and the sale or lease value of all real and related personal property so disposed of during the preceding fiscal year. Such reports shall also show transfers or conveyances of property according to State, and may include such other information and recommendations as the Administrator or other executive agency head concerned deems appropriate.

(2) Six months after the end of the first full fiscal year after November 5, 1988, and biennially thereafter, the Administrator shall transmit a report to the Congress that covers the initial period from November 5, 1988, and each succeeding biennial period and contains:

(A) a full and independent evaluation of the operation of programs for the donation of Federal surplus personal property.

(B) statistical information on the amount of excess personal property transferred to Federal agencies and provided to grantees and non-Federal organizations and surplus personal property approved for donation to the State Agencies for Surplus Property and donated to eligible non-Federal organizations during each succeeding biennial period, and

(C) such recommendations as the Administrator determines to be necessary or desirable.

(3) A copy of each report made under paragraph (2) shall also be simultaneously furnished to the Comptroller General of the United States. The Comptroller General shall review and evaluate the report and make any comments and recommendations to the Congress thereon, as he deems necessary or desirable.

(p) Transfer or conveyance of property for correctional facility use; consideration-free transfers; reimbursement for interim transfers; reversion option; terms and conditions

(1) Under such regulations as he may prescribe, the Administrator is authorized in his discretion to transfer or convey to the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Island, the Commonwealth of the Northern Mariana Islands, or any political subdivision or instrumentality thereof, surplus real and related personal property determined by the Attorney General to be required for correctional facility use by the authorized transferee or grantee under an appropriate program or project for the care or rehabilitation of criminal offenders as approved by the Attorney General. Transfers or conveyance under this authority shall be made by the Administrator without monetary consideration to the United States. If the Attorney General determines that any surplus property transferred or conveyed pursuant to an agreement entered into between March 1, 1982, and the enactment of this subsection was suitable for transfer or conveyance under this subsection, the Administrator shall reimburse the transferee for any monetary consideration paid to the United States for such transfer or conveyance.

(2) The deed of conveyance of any surplus real and related personal property disposed of under the provisions of this subsection:

(A) shall provide that all such property shall be used and maintained for the purpose for which it was conveyed in perpetuity, and that in the event the property ceases to be used or maintained for that purpose, all or any portion of the property shall, in its then existing condition, at the option of the United States, revert to the United States; and

(B) may contain such additional terms, reservations, restrictions, and conditions as may be determined by the Administrator to be necessary to safeguard the interests of the United States.

(3) With respect to surplus real and related personal property conveyed pursuant to this subsection, the Administrator is authorized and directed:

(A) to determine and enforce compliance with the terms, conditions, reservations, and restrictions contained in any instrument by which such transfer was made;

(B) to reform, correct, or amend any such instrument by the execution of a corrective reformatory or amendatory instrument where necessary to correct such instrument or to conform such transfer to the requirements of applicable law; and

(C) to (i) grant releases from any of the terms, conditions, reservations, and restrictions contained in, and (ii) convey, quitclaim, or release to the transferee or other eligible user any right or interest reserved to the United States by any instrument by which such transfer was made, if he determines that the property so transferred no longer serves the purpose for which it was transferred, or that such release, conveyance, or

quitclaim deed will not prevent accomplishment of the purpose for which such property was so transferred: Provided, that any such release, conveyance, or quitclaim deed may be granted on, or made subject to, such terms and conditions as he or she shall deem necessary to protect or advance the interests of the United States.

APA.6. 40 U.S.C. §485 PROCEEDS FROM SALES; USE; REPORT

(a) Disposition of receipts

All proceeds under this subchapter from any transfer of excess property to a Federal agency for its use, or from any sale, lease, or other disposition of surplus property, shall be covered into the Treasury as miscellaneous receipts, except as provided in subsections (b), (c), (d), (e), and (h) of this section.

(b) Deposit of proceeds from sales; use; report

Except as provided in subsection (h) of this section, all the proceeds of such dispositions of surplus real and related personal property made by the Administrator of General Services shall be set aside in a separate fund in the Treasury. Not more than an amount to be determined quarterly by the Director of the Office of Management and Budget may be obligated from such fund by the Administrator to pay the direct expenses incurred for the utilization of excess property and the disposal of surplus property under this Act for fees of appraisers, auctioneers, and realty brokers, for costs of environmental and historic preservation services, and for advertising and surveying. Such payments from this fund may be used either to pay such expenses directly or to reimburse the fund or appropriation initially bearing such expenses. Fees paid to appraisers, auctioneers, and brokers shall be in accordance with the scale of fees customarily paid for such services in similar commercial transactions, and in no event shall more than 12 per centum of the proceeds of all dispositions within each fiscal year of surplus real and related personal property be paid out of such proceeds under this authorization to meet direct expenses incurred in connection with such dispositions. Periodically, but not less often than once each year, any excess funds beyond current operating needs shall be transferred from the fund to miscellaneous receipts: Provided, that a report of receipts, disbursements, and transfers to miscellaneous receipts under this authorization shall be made annually in connection with the budget estimates to the Director of Office of Management and Budget and to the Congress.

(c) Credit to reimbursable fund or appropriation on certain transactions

Where the property transferred or disposed of was acquired by the use of funds either not appropriated from the general fund of the Treasury or appropriated therefrom but by law reimbursable from assessment, tax, or other revenue or receipts, then the net proceeds of the disposition or transfer shall be credited to the reimbursable fund or appropriation or paid to the Federal agency which determined such property to be excess: Provided, that the proceeds shall be credited to miscellaneous receipts in any case when

the agency which determined the property to be excess shall deem it uneconomical or impractical to ascertain the amount of net proceeds. As used in this subsection, the term 'net proceeds of the disposition or transfer' means the proceeds of the disposition or transfer minus all expenses incurred for care and handling and disposition or transfer.

(d) Special account deposits

Any Federal agency disposing of surplus property under this subchapter (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

(e) Sale proceeds offset against price or cost of contractor's work

Where any contract entered into by an executive agency or any subcontract under such contract authorizes the proceeds of any sale of property in the custody of the contractor or subcontractor to be credited to the price or cost of the work covered by such contract or subcontract, the proceeds of any such sale shall be credited in accordance with the contract or subcontract.

(f) Acceptance of property in lieu of cash

Any executive agency entitled to receive cash under any contract covering the lease, sale or other disposition of surplus property may in its discretion accept, in lieu of cash, any property determined by the President to be strategic or critical material at the prevailing market price thereof at the time the cash payment or payments became or become due.

(g) Management of credit, lease, and permits on property

Where credit has been extended in connection with any disposition of surplus property under this subchapter or by War Assets Administration (or its predecessor agencies) under the Surplus Property Act of 1944, or where such disposition has been by lease or permit, the Administrator shall administer and manage such credit, lease, or permit, and any security therefor, and may enforce, adjust, and settle any right of the Government with respect thereto in such manner and upon such terms as he deems in the best interest of the Government.

(h) Property under control of a military department

(1) If the Secretary of a military department determines that real property, and improvements thereon, under the control of that department (other than property at a military installation designated for closure or realignment) is excess to the needs of that

department, the Secretary of Defense shall provide that the property be made available for transfer without reimbursement to the other military departments within the Department of Defense. If the property is not transferred to another military department, the Secretary of the military department concerned shall request the Administrator to transfer or dispose of such property in accordance with the provisions of this Act, section 13(g) of the Surplus Property Act of 1944 (50 U.S.C. App. 1622(g)), or other applicable law.

(2) The Administrator shall deposit any proceeds (less expenses or transferring or disposing of the property as provided in subsection (b) of this section) in a special account in the Treasury of the United States. The amount deposited in such account with respect to the transfer or disposal of any such property shall be available, to the extent provided in appropriation Acts, as follows:

(A) 50 percent of such amount shall be available for facility maintenance and repair or environmental restoration at the military installation where the property is located.

(B) 50 percent of such amount shall be available for facility maintenance and repair and for environmental restoration by the military department that had jurisdiction over the property before it was disposed of or transferred.

(3) As part of the annual request for authorizations of appropriations to the Committees on Armed Services of the Senate and of the House Representatives, the Secretary of Defense shall include an accounting of each transfer and disposal made in accordance with this subsection during the fiscal year preceding the fiscal year in which the request is made, including a detailed explanation of each such transfer and disposal and of the user of the proceeds received from it by the Department of Defense.

(4) For purposes of this subsection, the term 'military installation' shall have the meaning given that term in section 2687(e)(1) of title 10.

APA.7. 32 CFR Part 172, "Disposition of Proceeds from DoD Sales of Surplus Property"

Purpose. This document provides revised and expanded instructions on the collection and disposition of cash and cash equivalents received by the DoD Components for the DoD sale of surplus personal property.

Applicability and scope. This part: (a) Applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Joint Chiefs of Staff (JCS) and the Joint Staff, the Unified and Specified Commands, the Inspector General of the Department of Defense (IG, DoD), the Defense Agencies, and DoD Field Activities (hereafter referred to collectively as "DoD Components"). (b) Applies to the proceeds resulting from sales made under authority of Public Law 152 and to the following: (1) Personal property

governed by DoD 4160.21-M. (2) Surplus Government-owned personal property in the possession of contractors, as described in FAR subpart 45.6. (3) Recyclable material governed by 10 U.S.C. 2577. Such materials would otherwise be sold as scrap or discarded as waste, but are capable of being reused after undergoing some type of physical or chemical processing. The recycling of hazardous materials or hazardous waste shall be accomplished with due recognition of the types of materials being processed and the applicable regulation governing the handling and disposal of such materials. Qualified recyclable materials do not include the following: (i) Precious metal-bearing scrap and those items that may be used again for their original purposes or functions without any special processing; e.g., used vehicles, vehicle or machine[[Page 853]]parts, bottles (not scrap glass), electrical components, and unopened containers of oil or solvent. (ii) Ships, planes, or weapons that must undergo demilitarization or mutilation before sale. (iii) Scrap generated from DoD industrial fund (IF) operations that has been routinely sold with the proceeds being used to offset customer costs. (iv) Bones, fats, and meat trimmings generated by a commissary store or exchange.

APPENDIX B
GLOSSARY

Activity: a unit, organization, or installation that performs a function or mission.

Amount Recoverable: materials that have useful physical or chemical properties after serving their original purpose and can be reused or recycled for the same or other purpose.

Amount Sellable as Recyclable: materials that fit within the Guidelines for items that can be sold through a qualified recycling program.

Appropriated Funds: money set aside by Congress through a formal process for a specific use.

Closed-Loop Recycling: the three integral parts in the recycling process: collecting recyclables, processing and manufacturing recyclables into new items, and buying recycled products.

Combined Services Recycling Working Group: a working group formed by the DoD Pollution Prevention Committee to develop joint service Qualified Recycling Program (QRP) policy. The group includes all services (including Coast Guard), the Defense Logistics Agency (DLA), the Office of the DoD Inspector General, and the National Security Agency (NSA).

Construction and Demolition Debris (C&D): waste building materials, packaging, and rubble resulting from construction, remodeling, repair, and demolition operations on pavements, houses, commercial buildings, and other structures. Includes: roofing, piping, dry wall, wood, bricks, concrete and similar materials, but excluding asbestos containing materials.

Defense Business Operating Fund (DBOF): "DBOF" is the old term for the currently used term "working capital fund (WCF)". See Working Capital Fund.

Defense Finance and Accounting Service: directs finance and accounting requirements for all appropriated, nonappropriated, working capital, revolving and trust fund activities.

Defense Reutilization and Marketing Office: provides technical assistance to generating activities, receives excess material and authorized turn-ins from generating activities.

Defense Reutilization and Marketing Service: exercises program management and staff supervision of DoD Personal Property Reutilization and Marketing Program.

Demilitarization: the act of destroying the functional or military capabilities of certain types of equipment or material that has been screened through inventory control points and declared surplus or foreign excess. The term includes mutilation, cutting, crushing, scrapping, melting, burning, or alteration to prevent further use of this equipment or

material for its originally intended purpose and applies equally to equipment or material in serviceable or unserviceable condition.

Disposal Turn-in Document: a document used when property is delivered to DRMO for reutilization, transfer, donation, or sale.

DoD Component: The Army, the Navy, the Air Force, and the Marine Corps. The Coast Guard when it is operating as a Military Service in the Navy. The Defense Agencies, and DoD Field Activities, including other integral DoD organizational entity or instrumentality established to perform a governmental function.

Economic Analysis: examines financial costs, benefits, and risks of various alternatives. The purpose of an economic analysis is to determine the most cost effective alternative. For example, it may be more cost effective to contract out (outsourcing) or transfer operations rather than fund an installation QRP.

Electrical Components: an integral part, assembly, or subassembly of a complete item.

End user: consumer, purchaser, buyer, or customer.

Funds Transfer Document: document used to record the transfer of funds between a government entity and private contractor.

Generation Rates: measures the total waste generated on an installation - total waste is the sum of the disposal amount and the recycled/reused amount.

Installation: a Navy or Marine Corps base of operations composed of a number of Navy or Marine Corps activities, units and commands, located on the property of the host activity. An installation may have several tenants. Although an installation is normally surrounded by a fence, an installation may also consist of noncontiguous tenants. Naval Construction Battalion Center Port Hueneme is an installation with tenants such as the Naval Facilities Engineering Service Center; Naval School, Civil Engineer Corps; etc. Installations usually provide services to their tenants such as utilities, security, and trash collection.

Installation Commander: person responsible for DoD Component who has separate budget and supervisory control over resources and personnel, or an installation.

Landfill Amount: generation rates for landfilling which equal recoverable amounts PLUS sellable amounts LESS quantities for other disposal. The final amounts end up in a landfill. It covers all trash that is disposed of in any landfill, whether on or off base, or at sea.

Non-Appropriated Funds: cash and other assets received by Nonappropriated Fund Instrumentalities (NAFIs) from sources other than monies appropriated by the Congress of

the United States. NAFs are Government funds; these funds are used for the collective benefit of military personnel, their dependents, and authorized civilians who generate them. These funds are separate and apart from funds recorded in the books of the Treasurer of the United States.

Other Disposal: that part which cannot be reutilized, reused, or recycled.

Pollution Prevention Funds: appropriated funds for all work necessary to eliminate or reduce DoD Components' undesirable impacts on human health and the environment in regard to both its processes, practices, and the products used. Funds come from a variety of sources, including military construction (MilCon), operations and maintenance (O&M), and procurement. Program and budget P2 project requirements in accordance with associated rules for each appropriation.

Pollution Prevention Plan: P2 Plan of management strategies for reducing the use of hazardous materials and releases of pollutants into the environment, reducing waste streams, reusing generated waste, and recycle waste not reusable.

Program Leader: assigned to coordinate a qualified recycling program including personnel, funds, and equipment for the purposes of carrying out the objectives of this Guide and DoD Instruction 4715.4.

QRP Manager: a dedicated, enthusiastic, and creative program manager who is responsible for consolidating information from all recycling activities, reporting on solid waste reduction, and affirmative procurement activities.

QRP Recyclable Material: scrap material whose sales proceeds can be deposited into the QRP **F3875 suspense account.

Qualified Recycling Program: organized pursuant to 10 U.S.C. §2577. A DoD Component program to recover recyclable materials from waste streams, and identify, segregate, and maintain or enhance marketability of the recyclable materials.

Recyclable Material: such materials would otherwise be sold as scrap or discarded as waste, but are capable of being reused after undergoing some type of physical or chemical processing.

Recyclable Grades: Recyclables are grouped into major categories such as paper, plastic, metal, glass, and wood. Each may have subcategories. Within each category or subcategory may be a "grade" of recyclable.

Recyclable Subcategory: Some recyclables seem to have an unlimited number of subcategories, and each of the subcategories may have a separate grade that will affect the price received.

Recycling: the result of a series of activities by which materials, that would become, or otherwise remain waste, are diverted from the solid waste stream by collection, separation, and processing, and are used as raw materials in the manufacture of goods sold or distributed in commerce, or the reuse of such materials as substitutes for goods made of virgin materials.

Resource Management System (RMS): a system that provides central appropriated funds.

Reuse: the return of a material or product to the economy for use without any change in its identity by finding different purposes for the materials. Special processing is not required.

Sales Contracting Officer: an individual who has been duly appointed and granted authority to sell surplus or excess property by any of the authorized and prescribed methods of sale (42 U.S.C. §484).

Solid Waste Annual Report: activities that generate more than 1 ton/day of solid waste must prepare an annual fiscal year report.

Source Segregation: the separation of recyclable material from trash at the point of generation. There are various degrees of source segregation ranging from only one type of material, such as aluminum cans, in a collection container to semi-source segregation where several different types of recyclable materials are mixed in one container. Semi-source segregated materials are further separated at either a recycling facility or material recovery facility.

Start-up Costs: costs of starting recycling programs.

Tenant: activities co-located and possibly supported by an installation but functioning under separate budget and supervisory control.

Trained Individual/Direct Sales POC: person in charge of direct sales who has participated in and completed a "Direct Sales" course as required under this Guide.

Total Amount Generated: the total waste generated on an installation - total waste is the sum of the disposal amount and the recycled/reused amount.

Waste Stream Assessment: determines amount of waste generated in the area to be managed; components of the waste stream; geographic location of generation of waste; seasonal fluctuations of all the above; and existing capacity of all waste management methods and facilities.

Working Capital Fund (WCF): The WCF, or industrial, commercial, and support-type activities are managed by the Secretary of Defense through separate accounting, reporting, and auditing. These activities include the Defense Finance and Accounting Service, the Defense Commissary Agency, and the Defense Reutilization and Marketing Service. Proceeds routinely used to offset customer costs.

APPENDIX C
TRAINING AND CERTIFICATION

The Executive QRP Manager's Course is available from the Army Logistics Management College. The certification is a 40 hour course and is available on site at Fort Lee, Virginia approximately 12 times per year. The cost for the course is \$800.00. To arrange for this, please contact:

*Mr. Don Hayes
ALMC
Fort Lee, Virginia 22____
1-800-____-____
(804) -__-____*

Army Community and Family Support Center conducts a Non-Appropriated Fund Sales Course. The two week introductory course is provided to DoD staff _____ times a years at _____. For additional information on costs and availability, please contact:

Morale Welfare and Recreation

Direct Sales Training is available through the Defense Logistics Agency. Although priority placement is reserved for DLA staff, there is periodic availability for DoD employees. The week-long course is available through the Battle Creek, Michigan Training Center for \$400.00. To check on space availability, please call:

Battle Creek, MI _____

Ammunition, Explosives, Dangerous Articles (AEDA) training for QRP managers and workers is sponsored by the ARMY. The course teaches how to identify safe and unsafe AEDA material. For more information, Contact Joy Rodriguez at (256) 895-7448
Rebecca.J.Rodriguez@HND01.usace.army.mil

APPENDIX D
SAMPLE CONTRACTS

D.1 SAMPLE SPOT SALE CONTRACT:

Sale of recyclable materials by the Navy recycling program,
Naval station, _____

Solicitation / contract form

Type of contract: it is anticipated that this solicitation (request for proposal) will result in the following type of contract: firm fixed price, definite delivery contract with definite quantities, subject to an increased quantity option.

A. The government (Navy recycling program), has the option to increase the quantities called for herein up to 35% of the quantity of each item (lot), offered in the schedule at the same prices specified in the acceptance of proposal (contract). The contracting officer may exercise this option at any time or times within 30 calendar days after contract award date by giving notice to the contractor. Delivery/pick-up of the quantities of items added by exercise of this option shall be in accordance with delivery/pick-up dates agreed to by the contracting officer and the contractor. The aforementioned increased quantity option may be further increased by mutual agreement of both contracting parties at any time up to 60 calendar days after contract award.

B. Supplies (recyclable materials) and prices

Naval recycling program _____

Lot #

Item description

Estimated Quantity

Unit of Issue

Unit price

(contractor fill)

1 Copper wire 100,000 Lb.

C. Packaging and marking

Material will be picked up in a container by the contractor, fob origin. Contractor shall provide said standard _____ containers at contractor's expense.

D. Weight of merchandise: the purchaser (contractor) and the contracting officer will decide by mutual agreement to accept scale weights using the scale located on the _____ naval base located at building _____, or by use of a certified public scale located between the contractor's facility and the _____ naval base (at contractor's expense). Weights are subject to verification by the contracting officer. When merchandise is loaded on a wooden pallet of unknown weight the average weight of _____ pounds will be deducted from the gross weight of the recyclable merchandise for each pallet utilized to arrive at the net weight of the recyclable merchandise.

E. Inspection and acceptance

1. Recyclable merchandise inspection: contractors are expected to inspect the merchandise offered for sale and to satisfy themselves as to merchandise quality and all general and local conditions that may affect the offers proposed. In no event will the failure to inspect the recyclable merchandise constitute grounds for a claim after award of a contract resulting from this solicitation (request for proposals).
2. Recyclable merchandise may be inspected on an appointment basis at building _____, naval station, _____. Appointments may be made by contacting _____, contracting officer (or cor) at _____. As a matter of information no inspections will be scheduled on Saturdays, Sundays, or on federal holidays.
3. Inspection and acceptance of the recyclable merchandise to be furnished under this contract shall be made at the _____, building _____, naval station, _____ by the successful offeror (contractor) unless otherwise agreed to in writing by both contracting parties.
4. Title to the property sold thereunder will be vested in "the purchaser (contractor)" as and when removal is effected. No right, title, or interest in or to any of the property offered for sale thereunder shall be vested in the purchaser prior to its removal from the _____, naval station, _____.

F. Deliveries and performance

1. Sales of recyclable materials are on f.o.b. origin basis: f.o.b. origin is defined as being loaded by the recycling program, at the recycling program's expense, on to the contractor's open top trailer or truck at the _____, building _____, naval station, _____. At the option of the contracting officer the recyclable materials may be loaded by the Navy recycling program directly into the contractor provided 20, 40 or 45 ft. shipping container. The contractor shall insure that their containers can be loaded by the recycling program.
2. Removal of recyclable materials purchased by the contractor: vehicles used for the removal of recyclable materials by the contractor or his agent must be adequate in configuration so that all property loaded thereon will be confined within the outside dimensions of the vehicle and said recyclable materials shall be stacked, tied and otherwise secured by the contractor to prevent any portion of the load from being dislodged in any manner while said vehicle is on government property. It is the sole responsibility of the contractor to insure his/her vehicles are properly loaded in the aforementioned manner.

G. Contract administration data

1. Payment for merchandise by the successful offeror (contractor) within 7 (seven)

calendar days from the notice of award of contract(s) based on this solicitation, the contractor will deliver a certified/cashiers check to the contracting officer in an amount equal to award of that particular contract. Upon receipt of the aforementioned payment, pick-up of the recyclable materials may commence on a mutually agreed to schedule but not later than 15 (fifteen) calendar days after payment is received unless an extension is granted by the contracting officer. Payment for recyclable merchandise covered in section a, paragraph 1a of this contract schedule regarding increased quantity option may be made by the contractor no later than 3 days after removal of said property using a company check. All payments made by the contractor will be made out to "naval station _____ recycling program."

2. Under no circumstances will the contractor be authorized to make cash payments for any merchandise covered under this contract. The only authorized method for payment is by check.
3. The contractor assumes complete liability for all taxes applicable to its property, income, and all of its transactions arising out of or in connection with the performance of this contract. The contractor will not be reimbursed for any direct or indirect tax imposed on it by reason of this contract or otherwise.
4. The contracting officer may, at his/her option, impose a \$25.00 administrative charge on dishonored checks received from the contractor for the payment for recyclable materials. A charge of \$100.00 per calendar day may be assessed by the contracting officer to any contractor who fails to remove his/her recyclable materials purchased under this agreement in the time specified in the contract.

H. Special contract requirements

1. Indemnity: the contractor agrees to indemnify and hold harmless the Navy recycling program, the Navy and the United States (including its agencies and instrumentalities), and their officers, agents and employees against liability and against any and all claims for loss, death, injury, or property damage (including costs and expenses incidental thereto), arising out of or in connection with (i) the performance of this contract, (ii) any of the activities or actions of the contractor's subcontractors, representatives, agents or employees while performing this contract, or (iii) any of the contractor's activities or actions.
2. Damage to government property: any damage to government property during the contractor's removal operations is the responsibility of the contractor, if deemed by the contracting officer that the contractor or his/her employee was at fault, will be repaired at the contractor's expense, to its original state or a reasonable facsimile thereof to the satisfaction of the contracting officer.
3. Insurance requirements: the contractor agrees to furnish necessary vehicle and other insurance as provided for in the regulations for the state of _____ and the naval base security office.

4. Vehicle safety and licensing: the contractor agrees to provide vehicles and vehicle operators that are in current compliance with state and local vehicle safety and/or licensing requirements.

5. Dangerous property: the purchaser (contractor) is cautioned that articles or substances of a dangerous nature may remain in the property notwithstanding the care exercised to remove same. The government assumes no liability for damages to the property of the purchaser (contractor) or for personal injuries, disabilities or death to the purchaser (contractor), his/her employees or for any other reason arising from or incident to the purchase of this recyclable material or its use, or suits, actions, or claims of whatsoever nature arising from or out of the purchase of this recyclable material.

6. Insulated wire/cable: in some cases insulated wire/cable may contain polychlorinated biphenyls (pcbs) above 50 parts per million by weight which must be properly handled by the purchaser (contractor) in accordance with all applicable federal, state and local laws and regulations regarding handling, recycling and the eventual disposal of any remaining byproducts.

7. Chemical agent resistant coating (carc) paint: the purchaser (contractor) is cautioned that the items listed below are, or are likely to be, coated with chemical agent resistant coatings containing trivalent chrome, lead, cobalt-zinc hexamethylene diisocyanate and other chemicals which represent a potential hazard to human health if welded, cut or not processed properly. The government brings the following precautions/warnings to the attention of prospective purchasers who plan to disturb this property in any way:

(a) airline respirators should be used for processing; unless air sampling shows exposure to be below OSHA standards, then either chemical cartridge respirators or airline respirators should be used.

(b) chemicals should be isolated from heat, electrical equipment, sparks and open flame. Local exhaust ventilation should be used for inside processing.

(c) overexposure to vapor/mist can cause irritation to respiratory tract (lungs, nose, throat), edema, dermatitis, dizziness, rash, itching, swelling of extremities, eye irritation or damage to nervous system, kidneys or liver. Coating may be fatal if swallowed. Possible items or lot #'s include painted aluminum and other non-ferrous scrap metals including sheets, pipes, tubing, valves, nuts, bolts, hardware, ingots, anodes, and insulated wire.

I. Contract clauses

1. Definitions: as used throughout this contract, the following terms and abbreviations have the meanings set forth below:

(a) the term "contract" means this agreement and any modifications hereto.

(b) the abbreviation "nafi" means nonappropriated fund instrumentality of the United States Government.

(c) the term "contracting officer" means the person executing or responsible for administering the contract on behalf of the nafi which is a party hereto, or his successor or successors.

(d) the term "contractor" means the party responsible for buying recyclable materials at a certain price or rate from this nafi (naval station recycling program) _____ under this contract.

2. Advertisements: the contractor agrees that none of its nor its agent's advertisements, to include publications, merchandise, promotions, coupons, sweepstakes, contests, sales brochures, etc., shall state, infer or imply that the contractor's products or services are approved, promoted or endorsed by the nafi (naval station recycling program). Any advertisement, including cents off coupons, which refers to a nafi will contain a statement that the advertisement is neither paid for nor sponsored in whole or in part by the particular activity.

3. Assignment: contractor may not assign his right or delegate his obligations under this contract without prior written consent of the contracting officer.

4. Disputes:

(a) except as otherwise provided in this contract, any dispute or claim concerning this contract which is not disposed of by agreement shall be decided by the contracting officer, who shall state his decision in writing and mail or otherwise furnish a copy to the contractor. Within 90 days from the date of receipt of such copy the contractor may appeal by mailing or otherwise furnishing to the contracting officer a written appeal addressed to the armed services board of contract appeals and the decision of the board shall be final and conclusive. The contractor shall be afforded an opportunity to be heard and offer evidence in support of any appeal under this clause. Pending final decision of such a dispute, however, the contractor shall proceed diligently with the performance of the contract and according to the decision of the contracting officer unless directed to do otherwise by the contracting officer.

(b) the "disputes" clause does not preclude consideration of Law questions in connection with decisions provided for in paragraph "a" above, providing that nothing in this contract shall be construed as making final the decision of any administrative official, representative or board on a question of law.

5. Examination of records:

(a) this clause is applicable if the amount of this contract exceeds \$10,000, and the contract was entered into by means of negotiation. The contractor agrees that the

contracting officer or his duly authorized representative shall have the right to examine and audit the books and records of the contractor directly pertaining to the contract during the period of the contract and until the expiration of three years after the final payment under the contract.

(b) the contractor agrees to include the clause in "a" above in all subcontracts thereunder which exceed \$10,000.

6. Gratuities:

(a) the nafi may, by written notice to the contractor, terminate the right of the contractor to proceed under this contract if it is found after notice and hearing, by the Secretary of the Navy or his duly authorized representative, that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by the contractor, or any agent or representative of the contractor, to any officer or employee of the government or the nafi with a view toward securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing of such contract.

(b) in the event this contract is terminated as provided for in paragraph "a" hereof the nafi shall be entitled (i) to pursue the same remedies against the contractor as it could pursue in the event of a breach of contract by the contractor and (ii) as a penalty in addition to any other damages to which it may be entitled by law to exemplary damages in an amount (as determined by the Secretary of the Navy or his duly authorized representative), which shall be not less than three nor more than ten times the cost incurred by the contractor in providing any such gratuities to any such officer or employee.

(c) the rights and remedies of the nafi provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

7. Hold and save harmless: the contractor shall indemnify, save harmless and defend the nafi, its outlets and customers from any liability, claimed or established for violation or infringement of any patent, copyright or trademark right asserted by any third party with respect to goods or merchandise hereby sold or any part thereof. Contractor further agrees to hold the nafi harmless from all claims or judgments for damages resulting from the use of products listed in this contract. Also, the contractor shall at all times hold and save harmless the nafi (naval station recycling program) _____, its agents, representatives and employees from any and all suits and expenses which arise out of acts or omissions of the contractor, its agents, representatives, or employees.

8. Law governing contracts: in any dispute arising out of this contract, the decision requires consideration of law questions, the rights and obligations of the parties shall be interpreted and determined according to the substantive laws of the United States of America.

9. Legal status: the nafi (naval station recycling program) is an integral part of the Department of Defense and is an instrumentality of the United States Government. Therefore, nafi contracts are United States Government contracts; however, they do not obligate appropriated funds of the United States. No appropriated funds of the United States shall become due or be paid a contractor by reason of this contract.

10. Modifications: no agreement or understanding to modify this contract will be binding upon the nafi unless made in writing and signed by a contracting officer from the office that issued the contract or its successor.

11. Order of precedence: in the event of an inconsistency between provisions of this solicitation/award, the inconsistency shall be resolved by giving precedence in the following order: (1) supplies and prices, (2) special contract requirements, (3) contract clauses, and (4) other provisions of the solicitation/award.

12. Termination for convenience: the contracting officer by written notice may terminate this contract, in whole or in part when it is in the best interest of the nafi (Navy recycling program). If this contract is for supplies, and is so terminated, the contractor may be compensated according to the Federal Acquisition Regulation (FAR) subparts 49.1 and 49.2 in effect on the date of this contract. If there are any such contractor claims they shall be settled according to FAR subparts 49.1 and 49.2.

13. Termination for default: the contracting officer, by written notice, may terminate the contract in whole or in part for failure of the contractor to perform any of the provisions hereof. In such event the contractor shall be liable for damages including the excess cost of re-soliciting offers for sales of recyclable merchandise; however, if it is determined that the contractor's failure to perform is without his/her or his/her subcontractor's control, fault or negligence the termination must be deemed to be a termination for convenience. As used in this provision, the term "subcontractor" means subcontractor at any tier.

14. Clauses incorporated by reference: the provisions of the following clauses set forth in the Federal Acquisition Regulation (FAR) are hereby incorporated into this solicitation/award by reference with the same force and effect as though herein set forth in full. As used in the following clauses the term "government" is deleted and the abbreviation nafi (Navy recycling program) is substituted in lieu thereof. The date of each clause shall be the current date set forth in the FAR on the issuance date of the contract(s) awarded as a result of this solicitation (request for proposals). Clauses made inapplicable by the reference or by the kind of order or contract (e.g., contracts for services or purchase of supplies) instead of for sale of recyclable materials are self deleting. The complete text of any clause incorporated in this solicitation/contract by reference may be obtained from the contracting officer.

Clause no.	Reference	Clause Title
23	52.203-1	officials not to benefit
24	52.203-5	covenant against contingent fees
26	52.222-20	walsh-healy public contracts act (supply contracts over \$10,000 not with foreign contractors)
27	52.222-26	equal opportunity (supply contracts over \$10,000)
28	52.222-35	affirmative action for special disabled veterans and vietnam era veterans (supplies over \$10,000)
29	2.222-36	affirmative action for handicapped workers (supplies over \$2,500)

K. Representations, certifications and other statements of Offeror.

Scrap warranty: the purchaser, (contractor) represents, warrants and certifies to the U.S. government that this property will be scrapped by pulping, shredding, or other equally complete manner which precludes any recognition or reconstruction of the items. The purchaser (contractor) further represents, warrants, and certifies that he/she is purchasing the property as scrap and that he/she will only use it as scrap. Notwithstanding any other provisions of this contract to the contrary, title to the property shall not vest in the purchaser until all required scrapping has been accomplished. Should the purchaser (contractor) fail for any reason to complete the scrapping within 60 calendar days after removal of the property, or such additional time as may be granted by the contracting officer, the government shall have the right to repossess the property charging the purchaser (contractor) with all costs incurred by the government in repossessing and reselling the property including any direct loss on account of the resale.

L. Instructions and conditions and notices to offerors

1. Telegraphic or facsimile offers: in keeping with standard scrap markets industry practice and in consort with the Defense Logistics Agency (DLA) policy of allowing submission of facsimile offers in response to requests for proposals for the sales of recyclable materials, facsimile or telegraphic offers may be submitted in response to this request for proposals. Telegraphic or facsimile offers must be received at the place designated by the contracting officer prior to the time specified for the receipt of offers in the request for proposals. Such offers must specifically refer to this request for proposals; must include the item(s) or lot(s), estimated quantities and the unit prices for which the offer is submitted. Additionally, the offer must contain all the representations and other information required by the request for proposals together with a statement that the offeror agrees to all the terms, conditions and provisions of the solicitation. Failure of the offeror to furnish in the telegraphic or facsimile offer the representations, and information required in the request for proposals, may necessitate rejection of the offer. Facsimile responses must be signed by a person authorized to conduct negotiations and sent to the Navy recycling program _____ (attn.: _____, (000) 000-

0000)).

2. Collusion warning: offerors are cautioned to submit their offers without consultation, communication, or agreement with any other offeror for the purpose of restricting competition. Offer (bid) rigging is a federal felony criminal offense under section 1 of the Sherman Anti-Trust Act (15 u.s.c. 1). Conviction carries with it a fine of up to \$1,000,000 for corporations and up to \$100,000 or three years imprisonment (or both) for individuals. You are encouraged to report suspected violations of this criminal law to the contracting officer at (000) 000-0000. This matter is of the greatest importance to this program and your utmost cooperation in insuring that this recycling program exemplifies maximum free and open competition among offerors is solicited and appreciated.

3. Notice to contractor of certain drug detection procedure

(a) pursuant to Navy policy applicable to both government and contractor personnel, measures will be taken to prevent the introduction and utilization of illegal drugs and related paraphernalia into government work areas.

(b) in furtherance of the Navy's drug control program, unannounced periodic on base inspection of the following nature may be conducted by installation security authorities:

(1) random inspection of vehicles on entry or exit with drug detection dog teams as available, to eliminate them (vehicles) as a safe haven for storage or trafficking in illegal drugs.

(c) when there is probable cause to believe that a contractor employee on board a naval installation has been engaged in use, possession or trafficking of drugs, the installation authorities may detain said employee until the employee can be removed from the installation, or can be released to the local authorities having jurisdiction.

(d) trafficking in illegal drugs and drug paraphernalia by contractor's employees while on a military installation may lead to possible contract termination and/or referral for prosecution by appropriate law enforcement authorities.

(e) the contractor is responsible for the conduct of his/her employees performing work under this contract and is, therefore, responsible to insure that employees are notified of these provisions prior to assignment.

(f) the removal of contractor personnel from a government installation as a result of drug offenses shall not be cause for excusable delay, nor such action be deemed a basis for an equitable adjustment to price, delivery or to other provisions of this contract.

4. Removal from the list of prospective offerors: at the option of the contracting officer individuals or firms that fail to respond to three (3) or more requests for proposals issued by this Navy recycling program, or are in default regarding a contract issued by this Navy recycling program may be removed from the list of prospective offerors (commonly

referred to as bidders list) and not be sent further requests for proposals from this organization until they are re-instated by the contracting officer.

5. Acknowledgment of amendments to requests for proposals: receipt of an amendment to a request for proposals by an offeror must be acknowledged by (a) signing and returning the amendment, (b) by annotation of block #14 entitled "acknowledgment of amendments" on the solicitation/offer form (standard form 33), or (c) by letter, telegram or facsimile. Such acknowledgment must be received prior to the hour and date specified for the receipt for proposals.

6. Explanation to offerors: any explanation desired by an offeror regarding the meaning or interpretation of the request for proposals, specifications, conditions, etc., must be requested in writing and received by the contracting officer in sufficient time to allow for a reply to reach offerors before the submission of their proposals. Oral explanations or instructions given before the award of a contract(s) will not be binding. Any information given to a prospective offeror as an amendment to the request for proposals will be furnished to all prospective offerors.

7. Late proposals: any proposal received at the office designated in the solicitation (request for proposals) after the exact time specified for the receipt will not be considered unless it is received before award is made; and,

(a) it was sent by registered or certified mail not later than the fifth calendar day prior to the date specified for receipt of offers;

(b) it was sent by mail/telegram/facsimile and it is determined by the government that the late receipt was due solely to mishandling by the government after receipt at the government installation; or,

(c) sent by controlled dispatch via nationally known U.S. courier (e.g., Emery, Federal Express, etc.) not later than 3 calendar days prior to the date proposals were due; or,

(d) it was the only proposal received.

M. Evaluation factors for award of contract(s)

1. Single award by lot: award will generally be made to a single responsive, responsible offeror for all items for each lot. However, the Navy recycling program reserves the right to split lots or to award by item when the contracting officer determines that to be more advantageous to this Navy recycling program.

2. Contract(s) will be awarded to those responsible offerors whose proposals (conforming to the request for proposals) will be most advantageous to this Navy recycling program, price and other factors considered.

3. The Navy recycling program reserves the right to reject any or all proposals and to waive informalities and minor irregularities in proposals received. In addition, the Navy recycling program reserves the right to withdraw or not award a contract for any lot(s) for which the contracting officer determines the price(s) received are not fair and reasonable.

4. The Navy recycling program may accept any item or lot or group of items or lots in any proposal unless the offeror qualifies his/her proposal by specific limitations. "All or none" proposals will normally be rejected unless the contracting officer deems them to be more advantageous to the recycling program than other offers received.

5. Award of contract(s)/acceptance of proposal: an "acceptance of proposal" signed by the contracting officer and mailed (or otherwise furnished) to the successful offeror(s), within the time for acceptance specified in the proposal, shall be deemed to result in a binding contract proposal if signed by the contracting officer and mailed (or otherwise without further action by either party). No binding contract shall result without such issuance of a signed "acceptance of proposal" by the contracting officer.

D.2 SAMPLE TERM SALES CONTRACT

Sale of recyclable materials by the Navy recycling program,
_____.

A. Solicitation/contract form

This contract, made and entered into this _____ day of _____, 2000, by and between naval station _____ recycling non-appropriated fund instrumentality hereinafter called nafi and _____ (hereinafter called contractor), is for the sale of recycled scrap material subject to the provisions set forth hereunder. The parties agree to contract for the purchasing of the recycled scrap material as more specifically described in section c hereto. The parties agree as follows:

1. Contract period: the period of performance for this contract will be for one (1) year, from the commencement date. The contract service period shall begin _____ 2000. The nafi may extend the term of this contract for successive periods of one(1) year by mutual agreement. The contracting officer will advise the contractor in writing at least 30 calendar days before the contract period expires of the activity's desire to extend the period of the contract. The total duration of this contract, including any extension pursuant to the option exercised under this clause will not exceed five(5) years from the date of the original contract.
2. Payment cycle: in consideration for the materials rendered, the contractor agrees to pay the nafi 30 days from the presentation of invoice of said material, or on expiration of this contract, whichever occurs first.
3. Invoices: the nafi will submit invoices to _____ after the close of each monthly cycle. Each cycle shall begin and end on the second issue date. Payment of invoice will be accomplished within 30 days of presentation of the invoice.
4. Subcontracts: with prior approval of the contracting officer a subcontractor may be used to fulfill the terms of the contract. If a subcontractor executes part or all of this contract, the contractor will continue to be held responsible for all provisions of the contract in total.
5. Payment rates: contractors will bid fixed net price per ton based on a percentage of the price indexed from the "high end" of the 2nd edition of the current month of the _____, utilizing prices posted for the " _____ " under the heading of _____. All material picked up after the second issue shall be billed on that cycle until the next month issue.
6. Deposit: a 20% deposit of estimated three (3) months generation, to be retained and applied to final billing, will be required from the contractor before the first shipment. The contracting officer reserves the right to waive any and all deposits before the first

load is delivered.

7. Weight of merchandise: contractor shall utilize the scales on naval station _____ at building _____.

8. Contractor bids _____ % of market.

B. Description/material specifications

1. (name and description of material)

2. Quantity of _____ will be _____ (net or gross) tons with a margin of 50% over or 50% under for the one (1) year term.

3. All material will be stored (indoors or outdoors).

4. Prohibitive materials will not be permitted.

5. Total out-throws will not exceed ____ %.

C. Packaging and marking

Material will be picked up in a _____ container by the contractor, f.o.b. origin. Contractor shall provide said standard _____ containers at contractor's expense.

D. Inspection and acceptance

1. Recyclable merchandise inspection: Offerors are expected to inspect the merchandise offered for sale and to satisfy themselves as to merchandise quality and all general and local conditions that may affect the offers proposed. In no event will the failure to inspect the recyclable merchandise constitute grounds for a claim after award of a contract resulting from this solicitation (request for proposals).

2. Recyclable merchandise may be inspected on an appointment basis at building _____, naval station, _____. Appointments may be made by contacting _____, contracting officer (or cor) at (000) 000-0000. As a matter of information no inspections will be scheduled on Saturdays, Sundays, or on federal holidays.

E. Deliveries and performance

1. Sales of recyclable materials are on f.o.b. origin: f.o.b. origin is defined as being loaded by the recycling program, at the recycling programs expense, onto the contractor's or subcontractor's trailer and transported at contractor's expense to contractor's facility.

2. Removal of recyclable materials purchased by the contractor: All material must be picked up between Monday and Friday during normal business hours (0700-1430). Contractor agrees to pick up material no later than three days after a request for pick up has been made by the nafi.

3. Contracting officers representatives responsibility: to schedule all deliveries with the contractor's facility and insure all paper work is submitted correctly.

Authorized cor's telephone: _____

F. Contract administration data:

1. The contractor assumes complete liability for all taxes applicable to its property, income, and all of its transactions arising out of or in connection with the performance of this contract. The contractor will not be reimbursed for any direct or indirect tax imposed on it by reason of this contract or otherwise.

2. The contracting officer may, at his/her option, impose a \$25.00 administrative charge on dishonored checks received from the contractor for the payment of recyclable materials.

G. Special contract requirements:

1. Indemnity: the contractor agrees to indemnify and hold harmless the Navy recycling program, the Navy and the United States (including its agencies and instrumentalities), and their officers, agents and employees against liability and against any and all claims for loss, death, injury, or property damage (including costs and expenses incidental thereto), arising out of or in connection with (i) the performance of this contract, (ii) any of the activities or actions of the contractor's subcontractors, representatives, agents, or employees while performing this contract, or (iii) any of the contractor's activities or actions.

2. Damage to government property: any damage to government property during the contractor's removal operations is the responsibility of the contractor, if deemed by the contracting officer that the contractor or his/her employee was at fault, will be repaired at the contractor's expense, to its original state or a reasonable facsimile thereof to the satisfaction of the contracting officer.

3. Dangerous property: the purchaser (contractor) is cautioned that articles or substances of a dangerous nature may remain in the property notwithstanding the care exercised to remove same. The government assumes no liability for damages to the property of the purchaser (contractor) or for personal injuries, disabilities or death to the purchaser (contractor), his/her employees or to any other reason arising from or incident to the purchase of this recyclable material or its use, or suits, actions, or claims of whatsoever nature arising from or out of the purchase of this recyclable material.

H. Contract Clauses

1. Definitions: as used throughout this contract, the following terms and abbreviations have the meanings set forth below:

(a) the term "contract" means this agreement and any modifications hereto.

(b) the abbreviation "nafi" means nonappropriated fund instrumentality of the United States Government.

(c) the term "contracting officer" means the person executing or responsible for administering this contract on behalf of the nafi which is a party hereto, or his successor or successors.

(d) the term "contractor" means the party responsible for buying recyclable materials at a certain price or rate from this nafi (naval station recycling program, _____) under this contract.

2. Advertisements: the contractor agrees that none of its nor its agent's advertisements, to include publications, merchandise, promotions, coupons, sweepstakes, contests, sales brochures, etc., shall state, infer or imply that the contractor's products or services are approved, promoted or endorsed by the nafi (naval station recycling program). Any advertisement, including cents off coupons, which refers to a nafi will contain a statement that the advertisement is neither paid for nor sponsored in whole or in part by the particular activity.

3. Assignment: contractor may not assign his right or delegate his obligations under this contract without prior written consent of the contracting officer.

4. Disputes:

(a) except as otherwise provided in this contract, any dispute or claim concerning this contract which is not disposed of by agreement shall be decided by the contracting officer, who shall state his decision in writing and mail or otherwise furnish a copy to the contractor. Within 90 days from the date of receipt of such copy the contractor may appeal by mailing or otherwise furnishing to the contracting officer a written appeal addressed to the armed services board of contract appeals and the decision of the board shall be final and conclusive. The contractor shall be afforded an opportunity to be heard and offer evidence in support of any appeal under this clause. Pending final decision of such a dispute, however, the contractor shall proceed diligently with the performance of the contract and according to the decision of the contracting officer unless directed to do otherwise by the contracting officer.

(b) the "disputes" clause does not preclude consideration of law questions in connection with decisions provided for in paragraph "a" above, providing that nothing in this contract shall be construed as making final the decision of any administrative official,

representative or board on a question of law.

5. Examination of records:

(a) this clause is applicable if the amount of this contract exceeds \$10,000, and the contract was entered into by means of negotiation. The contractor agrees that the contracting officer or his duly authorized representative shall have the right to examine and audit the books and records of the contractor directly pertaining to the contract during the period of the contract and until the expiration of three years after the final payment under the contract.

(b) the contractor agrees to include the clause in "a" above in all subcontracts thereunder which exceed \$10,000.

6. Gratuities:

(a) the nafi may by written notice to the contractor, terminate the right of the contractor to proceed under this contract if it is found after notice and hearing, by the Secretary of the Navy or his duly authorized representative, that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by the contractor, or any agent or representative of the contractor, to any officer or employee of the government or the nafi with a view toward securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing of such contract.

(b) in the event this contract is terminated as provided for in paragraph "a" hereof the nafi shall be entitled (i) to pursue the same remedies against the contractor as it could pursue in the event of a breach of contract by the contractor and (ii) as a penalty in addition to any other damages to which it may be entitled by law to exemplary damages in an amount (as determined by the Secretary of the Navy or his duly authorized representative), which shall be not less than three nor more than ten times the cost incurred by the contractor in providing any such gratuities to any such officer or employee.

(c) the rights and remedies of the nafi provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

7. Hold and save harmless: the contractor shall indemnify, save harmless and defend the nafi, its outlets and customers from any liability, claimed or established for violation or infringement of any patent, copyright or trademark right asserted by any third party with respect to goods or merchandise hereby sold or any part thereof. Contractor further agrees to hold the nafi harmless from all claims or judgments for damages resulting from the use of products listed in this contract. Also, the contractor shall at all times hold and save harmless the nafi (naval station recycling program, _____), its agents, representatives and employees from any and all suits and expenses which arise out of acts or omissions of the contractor, its agents, representatives, or employees.

8. Law governing contracts: in any dispute arising out of this contract, the decision requires consideration of law questions, the rights and obligations of the parties shall be interpreted and determined according to the substantive laws of the United States of America.

9. Legal status: the nafi (naval station recycling program) is an integral part of the Department of Defense and is an instrumentality of the United States government. Therefore, nafi contracts are United States government contracts; however, they do not obligate appropriated funds of the United States. No appropriated funds of the United States shall become due or be paid a contractor by reason of this contract.

10. Modifications: no agreement or understanding to modify this contract will be binding upon the nafi unless made in writing and signed by a contracting officer from the office that issued the contract or its successor.

11. Order of precedence: in the event of an inconsistency between provisions of this solicitation/award, the inconsistency shall be resolved by giving precedence in the following order: (1) supplies and prices, (2) special contract requirements, (3) contract clauses, (4) other provisions of the solicitation/award.

12. Termination for convenience: the contracting officer by written notice may terminate this contract, in whole or in part when it is in the best interest of the nafi (Navy recycling program). If this contract is for supplies and is so terminated, the contractor may be compensated according to the Federal Acquisition Regulation (FAR) subparts 49.1 and 49.2 in effect on the date of this contract. If there are any such contractor claims they shall be settled according to FAR subparts 49.1 and 49.2.

13. Termination for default: the contracting officer, by written notice, may terminate the contract in whole or in part for failure of the contractor to perform any of the provisions hereof. In such event the contractor shall be liable for damages including the excess cost of re-soliciting offers for sales of recyclable merchandise; however, if it is determined that the contractor's failure to perform is without his/her or his/her subcontractor's control, fault or negligence, the termination must be deemed to be a termination for convenience. As used in this provision, the term "subcontractor" means subcontractor at any tier.

14. Clauses incorporated by reference: the provisions of the following clauses set forth in the Federal Acquisition Regulation (FAR) are hereby incorporated into this solicitation/award by reference with the same force and effect as though herein set forth in full. As used in the following clauses the term "government" is deleted and the abbreviation nafi (Navy recycling program) is substituted in lieu thereof. The date of each clause shall be the current date set forth in the FAR on the issuance date of the contract(s) awarded as a result of this solicitation (request for proposals). Clauses made inapplicable by the reference or by the kind of order or contract (e.g., contracts for services or purchase of supplies) instead of for sale of recyclable materials are self deleting. The complete text of any clause incorporated in this solicitation/contract by

reference may be obtained from the contracting officer.

Clause no.	Reference	Clause title
23	52.203-1	officials not to benefit
24	52.203-5	covenant against contingent fees
26	52.222-20	walsh-healy public contracts act (supply contracts over \$10,000 not with foreign contractors)
27	52.222-26	equal opportunity (supply contracts over \$10,000)
28	52.222-35	affirmative action for special disabled veterans and vietnam era veterans (supplies over \$10,000)
29	2.222-36	affirmative action for handicapped workers (supplies over \$2,500)

L. Instructions and conditions and notices to offerors

1. Telegraphic or facsimile offers: in keeping with standard scrap markets industry practice and in consort with the Defense Logistics Agency (DLA) policy of allowing submission of facsimile offers in response to requests for proposals for the sales of recyclable materials, facsimile or telegraphic offers may be submitted in response to this request for proposals. Telegraphic or facsimile offers must be received at the place designated by the contracting officer prior to the time specified for the receipt of offers in the request for proposals. Such offers must specifically refer to this request for proposals, must include the item(s) or lot(s), estimated quantities, and the unit prices for which the offer is submitted. Additionally, the offer must contain all the representations and other information required by the request for proposals together with a statement that the offeror agrees to all the terms, conditions and provisions of the solicitation. Failure of the offeror to furnish in the telegraphic or facsimile offer, the representations, and information required in the request for proposals may necessitate rejection of the offer. Facsimile responses must be signed by a person authorized to conduct negotiations and sent to the Navy recycling program (attn: _____ at _____).

2. Collusion warning: offerors are cautioned to submit their offers without consultation, communication, or agreement with any other offeror for the purpose of restricting competition. Offer (bid) rigging is a federal felony criminal offense under section 1 of the Sherman Anti-Trust Act (15 u.s.c. 1). Conviction carries with it a fine of up to \$1,000,000 for corporations and up to \$100,000 or three years imprisonment (or both) for individuals. You are encouraged to report suspected violations of this criminal law to the contracting officer at (000) 000-0000. This matter is of the greatest importance to this program and your utmost cooperation in insuring that this recycling program exemplifies maximum free and open competition among offerors is solicited and appreciated.

3. Removal from the list of prospective offerors: at the option of the contracting officer individuals or firms that fail to respond to three (3) or more requests for proposals issued by this Navy recycling program, or are in default regarding a contract issued by this Navy recycling program may be removed from the list of prospective offerors (commonly referred to as "bidders list") and not be sent further requests for proposals from this organization until they are re-instated by the contracting officer.

4. Acknowledgment of amendments to requests for proposals: receipt of an amendment to a request for proposals by an offeror must be acknowledged by (a) signing and returning the amendment, (b) by annotation of block #14 entitled "acknowledgment of amendments" on the solicitation/offer form (standard form 33), or (c) by letter, telegram or facsimile. Such acknowledgment must be received prior to the hour and date specified for the receipt for proposals.

5. Explanation to offerors: any explanation desired by an offeror regarding the meaning or interpretation of the request for proposals, specifications, conditions, etc., must be requested in writing and received by the contracting officer in sufficient time to allow for a reply to reach offerors before the submission of their proposals. Oral explanations or instructions given before the award of a contract(s) will not be binding. Any information given to a prospective offeror as an amendment to the request for proposals will be furnished to all prospective offerors.

6. Late proposals: any proposal received at the office designated in the solicitation (request for proposals) after the exact time specified for the receipt will not be considered unless it is received before award is made; and,

(a) it was sent by registered or certified mail not later than the fifth calendar day prior to the date specified for receipt of offers; or

(b) it was sent by mail/telegram/facsimile and it is determined by the government that the late receipt was due solely to mishandling by the government after receipt at the government installation; or,

(c) sent by controlled dispatch via nationally known U.S. courier (e.g., Emery, Federal Express, etc.) not later than 3 calendar days prior to the date proposals were due; or,

(d) it was the only proposal received.

M. Evaluation factors for award of contract(s)

1. Single award by lot: award will generally be made to a single responsive, responsible offeror for all items for each lot. However, the Navy recycling program reserves the right to split lots or to award by item when the contracting officer determines that to be more advantageous to this Navy recycling program.

2. Contract(s) will be awarded to those responsible offerors whose proposals

(conforming to the request for proposals) will be most advantageous to this Navy recycling program, price and other factors considered.

3. The Navy recycling program reserves the right to reject any or all proposals and to waive informalities and minor irregularities in proposals received. In addition, the Navy recycling program reserves the right to withdraw or not award a contract for which the contracting officer determines the price(s) received are not fair and reasonable.

4. Award of contract(s)/acceptance of proposal: an "acceptance of proposal," signed by the contracting officer and mailed (or otherwise furnished) to the successful offeror(s), within the time for acceptance specified in the proposal, shall be deemed to result in a binding contract proposal," signed by the contracting officer and mailed (or otherwise without further action by either party). No binding contract shall result without such issuance of a signed "acceptance of proposal" by the contracting officer.

APPENDIX E
DD FORM 1348-1A

[illegible]

PREVIOUS EDITION MAY BE USED

APPENDIX F
LETTER INFORMING DRMO OF QRP SUSPENSE ACCOUNT

From: Commanding Officer, Naval Station Anywhere
To: Defense Reutilization Management Office

Subj: QUALIFIED RECYCLING PROGRAM (QRP)

Ref: (a) NAVSTAANYWHEREINST (QRP Instruction)

1. Per reference (a), Naval Station Anywhere established a Qualified Recycling Program. Please deposit the sale proceeds of recyclable material governed by 10 U.S.C. 2577 (QRP Recyclable Materials) in **F3875 Budget Clearing Account (suspense).
2. The QRP processes and retains the sales proceeds of QRP recyclable materials to fund recycling efforts, energy conservation projects, pollution abatement, occupational safety and health activities, and morale, welfare, and recreation (MWR) projects. Any material delivered to the recycling center that is not QRP recyclable will be sent to the DRMO facility. Likewise, please send any QRP recyclable materials mistakenly sent to the DRMO facility to our recycling center located at Naval Station Anywhere, for processing and sale.
3. Our QRP manager looks forward to a cooperative and beneficial working relationship with your facility. By working together, we can reuse and recycle more materials.
3. My contact is (name of QRP Manager, commercial phone and DSN phone and fax and e-mail here)

John Doe
Captain (Colonel) USN (USMC)

Copy to:

APPENDIX G
SAMPLE QUALIFIED RECYCLING PROGRAM INSTRUCTION

(Installations name) INSTRUCTION #####

Subj: (Installation name) QUALIFIED RECYCLING PROGRAM

Ref: (a) 10 USC 2577
(b) DODI 4715.4 Pollution Prevention
(c) OPNAVINST 5090.1B (for Navy) or MCO P5090.1A (for Marine Corps)
(d) QRP Guide (doc number here)

1. Purpose. To establish policies and procedures for a Qualified Recycling Program (QRP) for (installation name).

2. Cancellation. Previous QRP Instruction #####

3. Scope. This instruction applies to (list activities, tenants, and areas affected). Reference (a) redefines the authorized use of funds generated from the sales of certain materials that traditionally have been considered trash or waste. References (b) and (c) provide further guidance to the military departments, define the responsibilities of the Defense Logistics Agency (DLA) with regard to market research and sales, and define recyclable materials, a Qualified Recycling Program, and a military installation. Reference (d) provides guidance for establishing a qualifying recycling program; specifies types of materials that shall be segregated for recycling; and sets accounting procedures and uses within the Department of Navy for funds generated.

4. Sale of Recyclable Items. Installation staff and/or service contracts will be developed to collect qualifying recyclable materials for subsequent sales through the auspices of the Defense Reutilization and Marketing or through direct sales per reference (a). Qualifying materials are those normally discarded and may be reused after physical or chemical processing. Saleable materials include, but are not limited to, mixed paper, computer paper, corrugated containers, used oils, scrap metals, and aluminum cans. Sales proceeds from qualifying materials shall be deposited in **F3875 Budget Clearing Account (suspense). Sales proceeds shall first be credited to cover operations, maintenance, and overhead costs of processing the recycling materials. Remaining funds will be distributed to fund pollution abatement, energy conservation, occupational safety and health, and military morale, welfare, and recreation projects submitted by participating activities.

5. Responsibilities.

a. (name of QRP Manager) will be responsible for managing the QRP. The responsibilities of the QRP manager are as follows:

- Designate a trained individual besides the QRP Manager, if needed, to conduct local sales (term and spot sales) and award contracts.
- Report all matters relating to fraud or criminal conduct to the installation commander or call audit, internal review, or criminal investigative personnel.

- Require the designated contracting sales officer to sign all documents requiring signature for the Government.
- Perform contract administrative actions.
- Assure recycling revenues are used in accordance with 32 CFR part 172. Specifically, the revenue from the sale of appropriated funded QRP recyclable material must be placed in **F3875 Budget Clearing Account (suspense) and not in any other accounts, including MWR accounts. This revenue must first be used to pay for labor, equipment maintenance, equipment purchases, and facility maintenance costs of the recycling program. Up to 50% of the funds remaining after recycling operational costs have been paid may be used for pollution abatement, energy conservation, or occupational safety and health activities. The funds remaining after funding the aforementioned activities may be transferred to installation morale or welfare activities or they may be held in the account for the next fiscal year.
- Maintain required accounting records and supporting documentation for all proceeds received from the sale of recyclable materials and for disbursement of funds for authorized purposes.
- Develop and as needed, update a recyclable material collection (pickup) plan.
- Provide promotion/publicity for the Recycling Program through installation newspaper articles, Plan of the Day, installation TV, public events, and other methods as required.
- Serve as head or member of the Recycling Committee to review projects funded with sales proceeds.
- Maintain all program and audit records available for major claimant audits and inspections.
- Assist Commanding Officer in the selection of Recycling Committee members.
- Determine the type and quantity of materials at the activity suitable for recycling and locations where such materials may be picked up and notify the program coordinator.
- Develop and submit potential recycling projects.

b. The Comptroller's Office shall:

- Ensure that projects considered for local funding with recycling proceeds are not included in a normal military construction program.
- Ensure that the balance of funds, received from the sale of recycled material, but not disbursed at the end of the fiscal year, do not exceed \$2,000,000.
- Conduct an annual audit of the QRP **F3875 Budget Clearing Account (suspense) to ensure the recycling revenue is used in accordance with 32 CFR part 172. Maintain all program and audit records and make them available for major claimant audits and inspections. Insure recycling funds are not diverted to other departments not authorized by Recycling Committee.

c. The Public Works Department is responsible for collection and for transportation of installation recyclable material to the recycling center. The Public Works Department may assist in the planning of collection, transportation, storing and processing of recyclable materials.

d. The Environmental Office shall ensure all recycling operations comply with pertinent environmental requirements.

e. The Safety Office shall ensure all recycling operations comply with pertinent safety requirements.

f. MWR shall:

- Provide HRO services for NAF personnel.
- Provide a list of projects to potentially be funded with recycling revenues to the QRP Committee for approval.

g. The Commanding Officer or the Executive Officer (name here) will:

- Serve as chairperson, or designate an individual, to serve as chair of the Recycling Committee.
- Select members of the Recycling Committee.
- Select the QRP manager.

h. The Recycling Committee will:

- Meet as required to review and recommend approval of recycling projects submitted for funding (quarterly meetings or as called by Recycling Committee chair)
- Annually review the QRP program in conjunction with the Environmental Compliance Evaluation and the comptroller audit.
- Plan and approve the expenditure of excess funds from the sale of recycled materials (the Recycling Committee can in lieu of cash, purchase items for donations for the moral welfare and recreation benefit of the installation).

i. DRMO will:

- Maintain and provide records of quantity and types of material sold for recycling to the QRP Manager.
- Transfer monies to QRP suspense account at least quarterly.
- Develop service and sales contracts for materials to be recycled.

APPENDIX H
DOD AND NAVY POLICY



Department of Defense INSTRUCTION

NUMBER 4715.4

June 18, 1996

Administrative Reissuance Incorporating Change 1, July 6, 1998

USD(A&T)

SUBJECT: Pollution Prevention

- References: (a) DoD Directive 4715.1, "Environmental Security," February 24, 1996
(b) *DoD 5025.1-M, "DoD Directives System Procedures," August 1994, authorized by DoD Directive 5025.1, June 24, 1994*
(c) DoD Instruction 4715.5, "Management of Environmental Compliance at Overseas Installation," April 22, 1996
(d) Overseas Environmental Baseline Guidance Document, October 1992
(e) DoD Directive 5000.1, "Defense Acquisition," March 15, 1996
(f) through (kk) see enclosure E1.

1. PURPOSE

This Instruction:

1.1. Implements policy, assigns responsibility, and prescribes procedures under reference (a) for implementation of pollution prevention programs throughout the Department of Defense.

1.2. Designates Executive Agents to lead DoD implementation of key pollution prevention programs. Executive Agents are specified in enclosure E2.

1.3. *Authorizes the publication of "Guide for Qualified Recycling Programs", in accordance with reference (b)."*

¹ This reference can be found on the Defense Environmental Network Information Exchange (DENIX) electronic bulletin board.

2. APPLICABILITY AND SCOPE

This Instruction:

2.1. Applies to the Office of the Secretary of Defense (OSD); the Military Departments (including the Coast Guard when it is operating as a Military Service in the Navy); the Chairman of the Joint Chiefs of Staff; the Unified Combatant Commands, as appropriate; the Inspector General of the Department of Defense; the Defense Agencies; and the DoD Field Activities; including other integral DoD organizational entity or instrumentality established to perform a governmental function (hereafter referred to collectively as "the DoD Components"). The term "Military Services," as used herein, refers to the Army, the Navy, the Air Force and the Marine Corps.

2.2. Applies to DoD operations, activities, and installations in the United States, Puerto Rico, and territories or possessions over which the United States has jurisdiction, including Government-owned, contractor-operated (GOCO) facilities, and facilities supported by appropriated and non-appropriated funds. Outside the United States, section 4 and paragraph 6.2.3. of this Instruction shall apply, consistent with DoD Instruction 4715.5 (reference (c)), international agreements, status of forces agreements, and Final Governing Standards issued for host nations (or the Overseas Environmental Baseline Guidance Document (reference (d)) where no Final Governing Standards have been issued).

2.3. Applies to Program Executive Officers, Program Managers, and all other Material Developers, consistent with the policies, requirements, and procedures of DoD Directive 5000.1 (reference (e)) and DoD 5000.2-R (reference (f)).

2.4. Does not apply to:

2.4.1. Procurement, use, generation, storage, processing, disposal, or management in any sense of radioactive materials subject to regulation under E.O. 12344 (reference (g)), 42 U.S.C. 7158 (reference (h)); the Atomic Energy Act, 42 U.S.C. 2011 (reference (i)); or the Low Level Radioactive Waste Policy Act, 42 U.S.C. 2021b (reference (j)).

2.4.2. Additional pollution prevention requirements for transportation-related onshore and offshore facilities and vessels that are regulated by the U.S. Coast Guard. See 33 C.F.R. 154-156 (reference (k)) and 33 U.S.C. 1901-1912 (reference (l)).

2.4.3. The civil works function of the Department of the Army.

3. DEFINITIONS

To maintain consistency throughout the DoD Components, the terms and definitions in enclosure E3. apply for this Instruction, and shall be used for any supplemental or delegated regulations, instructions, or publications promulgated by the DoD Components.

4. POLICY

4.1. It is DoD policy to:

4.1.1. Ensure installations in the United States comply with applicable Federal, State, interstate, regional, and local environmental laws, regulations, and standards, and with relevant Executive Orders; or in the case of installations located outside the United States, with applicable Executive Orders, international agreements, Federal statutes with extraterritorial effect, and either the Final Governing Standards or the Overseas Environmental Baseline Guidance Document (reference (d)) where no Final Governing Standards have been issued.

4.1.2. Reduce the use of hazardous materials, the generation or release of pollutants, and the adverse effects on human health and the environment caused by DoD activities.

4.1.3. Reduce pollution through improvements in energy and water efficiency, the use of alternative fuels, and other activities that improve resource utilization.

4.2. It is DoD policy to accomplish the objectives using a management approach that:

4.2.1. Emphasizes pollution prevention, including improvements in energy and resource utilization, as the alternative of "first choice" in achieving compliance with applicable environmental requirements and Executive Orders.

4.2.2. Incorporates pollution prevention at installations, and into all phases of acquisition, operations, maintenance, support and ultimate disposal of weapon systems over the system life-cycle.

4.2.3. Uses the environmental management hierarchy to develop

environmental solutions. In descending order of preference, the Department of Defense will:

4.2.3.1. Prevent pollution at the source to eliminate or minimize adverse health effects while protecting, preserving, restoring, and enhancing the quality of the environment.

4.2.3.2. Reuse pollutants that cannot be eliminated. Recycle, in an environmentally safe manner, pollutants that cannot be reused.

4.2.3.3. Treat, in an environmentally safe manner, pollutants that cannot be eliminated or recycled.

4.2.3.4. Dispose or release pollutants into the environment only as a last recourse and only where such disposal or release can be controlled and conducted in a manner that is safe for human health and the environment and consistent with applicable legal requirements.

4.2.4. Reduces the life cycle costs of weapon systems by avoiding the use of hazardous materials.

4.2.5. Plans, programs and budgets to achieve the policies in this Instruction. Component budgeting procedures shall utilize the environmental quality classes defined in enclosure E3. and the following definitions for environmental compliance and pollution prevention:

4.2.5.1. Environmental compliance includes all activities and projects that utilize end-of-pipe treatment or disposal methods to meet applicable environmental requirements.

4.2.5.2. Compliance-type requirements that are satisfied by source reduction (pollution elimination or reduction), pollutant minimization, or recycling approaches are pollution prevention requirements and shall be funded as "pollution prevention."

4.2.6. Instills knowledge and understanding by all personnel (military and civilian) of pollution prevention requirements through comprehensive education, training, career development, and awareness programs.

4.2.7. Promotes pollution prevention through positive relations and partnerships with Federal, State, Indian tribal, regional, and local government officials

as well as host country, other private, and public stakeholders.

4.2.8. Develops, demonstrates, and implements innovative pollution prevention technologies and business practices.

5. RESPONSIBILITIES

5.1. The Deputy Under Secretary of Defense For Environmental Security, under the Under Secretary of Defense for Acquisition and Technology, shall:

5.1.1. Consistent with the policies in DoD Directive 4715.1 (reference (a)), provide guidance, oversight, advocacy, and representation for environmental security pollution prevention programs.

5.1.2. Integrate the Department of Defense's pollution prevention program with other environmental, safety, and health programs.

5.1.3. Coordinate interaction with the Congress and Federal, State, Indian tribal, regional, host country, and local offices on pollution prevention issues.

5.1.4. Serve as the Department of Defense Environmental Executive in accordance with E.O. 12873 (reference (m)).

5.1.5. As the Principal Staff Assistant, ensure that the Defense Environmental Security Corporate Information Management (DESCIM) program management office develops and deploys systems that have the capability to support compliance with all applicable environmental laws and Executive Orders referenced by this Instruction, and allow for inventory management.

5.1.6. Monitor compliance with this Instruction, including progress toward achieving the appropriate measures of merit (enclosure E4.), and periodically review the DoD Component's pollution prevention programs.

5.1.7. Actively participate and support weapon system integrated product teams to ensure environmental, safety, and health (ESH) requirements are adequately addressed.

5.1.8. Advise the Defense Acquisition Board and the overarching integrated product teams on ESH issues.

5.1.9. In coordination with the DoD Components, designate a Service or Defense Agency as lead or Executive Agent for special pollution prevention-related issues or areas.

5.1.10. Develop and promulgate Environmental Security pollution prevention goals and objectives, and approve the means of measurement, in coordination with the DoD Components, for attaining those goals and objectives.

5.2. The Director, Defense Research and Engineering, under the Under Secretary of Defense for Acquisition and Technology, shall:

5.2.1. Develop an integrated, coordinated Science and Technology Program to address the pollution prevention technology requirements defined by the Deputy Under Secretary of Defense (DUSD(ES)).

5.2.2. Issue guidance to the DoD Components concerning pollution prevention Science and Technology Programs.

5.3. The Deputy Under Secretary of Defense for Logistics, under the Under Secretary of Defense for Acquisition and Technology, shall:

5.3.1. Develop policy and guidance to incorporate pollution prevention into all logistics activities, including support of weapon systems and hazardous material management systems.

5.3.2. Ensure that all environmental compliance statutory and Executive Order requirements that apply to DoD non-tactical vehicles are properly reflected in DoD 4500.36-R (reference (n)).

5.4. The Assistant Secretary of Defense for Economic Security, under the Under Secretary of Defense for Acquisition and Technology, shall:

5.4.1. Ensure that the DoD Components revise appropriate specifications, standards, and other standardization documents to eliminate or reduce the use of extremely hazardous substances, toxic chemicals, ozone-depleting substances, and other hazardous materials consistent with the safety, health, and reliability requirements of each Component's mission, as required by E.O. 12856 (reference (o)).

5.4.2. Promote the use of environmentally preferable products to the maximum extent practicable by revising specifications and standards, as appropriate,

as required by E.O. 12873 (reference (m)).

5.4.3. Promote pollution prevention by assisting the DoD Components to develop programs for energy conservation and use of energy from renewable sources, where cost effective.

5.4.4. Establish programs and policies for DoD-owned or leased buildings and facilities that promote sustainable development goals in accordance with E.O. 12902 (reference (p)), and coordinate policy and implementation oversight with DUSD(ES) to ensure program environmental goals are achieved.

5.5. The Director, Defense Logistics Agency, under the Under Secretary of Defense for Acquisition and Technology, shall:

5.5.1. Establish procedures and controls that ensure that when recyclable materials are consigned for disposal to the Defense Reutilization and Marketing Service (DRMS) on behalf of a qualified recycling program, 100% of any proceeds, less the costs of sales and handling, are returned to installations in accordance with established accounting procedures.

5.5.2. Operate and manage the DoD Ozone Depleting Substances Reserve including preparation of reports if required by Congress, through DUSD(ES), in accordance with 10 U.S.C. 2301 (reference (q)). Establish procedures governing operation of the Reserve.

5.6. The Heads of the DoD Components shall:

5.6.1. Ensure compliance with this Instruction.

5.6.2. Ensure pollution prevention is incorporated into all acquisition phases and across the entire life cycle (from concept exploration through system demilitarization and disposal) of all weapon systems. Pollution prevention for an active acquisition program shall be done in accordance with DoD Directive 5000.1 (reference (e)) and DoD 5000.2-R (reference (f)). Pollution prevention for fielded weapon systems not included within the scope of an active acquisition program shall be done in accordance with this Instruction.

5.6.3. Plan, program, and budget for pollution prevention programs in accordance with DoD guidance and fiscal policies.

5.7. The Secretaries of the Military Departments, the Directors of the Defense

Agencies and the DoD Field Activities shall:

5.7.1. Implement programs to monitor and achieve progress toward the Department's pollution prevention measures of merit. Measures of merit are given in enclosure E4.

5.7.2. Establish an affirmative procurement program in accordance with 42 U.S.C. 6962 (reference (*r*)) and E.O. 12873 (reference (*m*)).

5.7.3. Establish a program to purchase and operate alternative-fueled vehicles to reduce the emission of pollutants associated with non-tactical vehicles, as required by P.L. 102-486 (reference (*s*)), E. O. 12844 (reference (*t*)), and DoD 4500.36-R (reference (*n*)).

5.7.4. Research and develop innovative pollution prevention technologies in accordance with Director, Defense Research and Engineering guidance through partnerships among Federal agencies, Government laboratories, and the private sector.

5.7.5. Establish and execute cost-effective waste prevention and qualified recycling programs to reduce the volume of non-hazardous solid waste in accordance with 10 U.S.C. 2577 (reference (*u*)) and E.O. 12873 (reference (*m*)). Establish procedures governing qualified recycling programs.

5.7.6. Execute strategies to eliminate reliance on Ozone Depleting Substances (ODS) in accordance with E.O. 12843 (reference (*v*)) and 10 U.S.C. 2301 (reference (*q*)).

5.7.7. Provide necessary data to the Defense Logistics Agency so as to allow it to manage the DoD ODS Reserve and meet any reporting requirements, including those in DoD 4160.21-M (reference (*w*)).

5.7.8. Participate in periodic pollution prevention in-progress reviews (IPRs) as required by DUSD(ES).

5.7.9. Carry out the responsibilities of a lead or DoD Executive Agent for specific pollution prevention-related areas when designated by DUSD(ES) under paragraph 5.1.9., above. Designated DoD Executive Agents are in enclosure E2. The lead or Executive Agent shall:

5.7.9.1. Develop a charter outlining functions and responsibilities, to be approved by DUSD(ES) and coordinated with the DoD Components.

5.7.9.2. Report as appropriate, but at a minimum semi-annually, to the appropriate Defense Environmental Security Council (DESC) committee.

5.7.9.3. Ensure all policy issues are coordinated by the appropriate DoD Component and OSD chains of command.

5.7.10. Raise emerging DoD pollution prevention issues through the DESC, the Environment, Safety and Occupational Health Policy Board, or the DESC Pollution Prevention Committee, as established under DoD Directive 4715.1 (reference (a)).

6. PROCEDURES

6.1. The Heads of the DoD Components shall establish procedures that ensure that fielded weapon systems, not included within the scope of an active acquisition program, establish and maintain a pollution prevention program. The scope of the pollution prevention program shall, at a minimum, include the requirements that are applicable to active acquisition programs as required in DoD 5000.2-R (reference (f)), paragraphs 3.3.6, 4.3.7.2, 4.3.7.4, and 4.3.7.5.

6.2. The Secretaries of the Military Departments, the Directors of the Defense Agencies and the DoD Field Activities shall:

6.2.1. Participate in annual pollution prevention reviews as required by DUSD(ES). The review shall include, at a minimum, a progress report on the measures of merit outlined in enclosure E4.

6.2.2. Report to DLA estimates for ODS Defense requirements and provide them the data necessary to prepare any required reports, including those in 10 U.S.C. 2301 (reference (q)).

6.2.3. Ensure that all installations worldwide:

6.2.3.1. Maintain inventory management and control processes that minimize the use of hazardous materials, as appropriate, in the most economical manner.

6.2.3.2. Maintain and execute pollution prevention plans that identify goals and cost-effective management processes or technologies to eliminate or reduce the use and disposal of hazardous materials.

6.2.3.3. Establish recycling programs and procedures that:

6.2.3.3.1. Ensure, where cost effective, that all installations and activities have, or participate in, qualified recycling programs, and that installation recycling programs are available to serve all host and tenant organizations occupying space on the installation, including leased space.

6.2.3.3.2. Ensure, where cost effective, that contracts, awarded after the effective date of this Instruction, that provide for contractor operation of a government-owned or leased facility located within the United States, its territories, or possessions, include provisions that obligate the contractor to participate in a recycling program. Where cost effective, existing contracts covering GOCO facilities should be modified to incorporate recycling provisions. The DoD Components should require participation by contractors operating government-owned or leased facilities overseas where recycling programs are available.

6.2.3.3.3. Ensure that qualified recycling program procedures address recyclable materials, excluded materials, and other qualified recycling program materials. See definitions.

6.2.3.3.4. Divert recyclable materials (see definition) from the non-hazardous solid waste stream where economically feasible. Individual types of recyclable materials that make up a substantial percentage of the non-hazardous waste stream should be included in recycling programs unless doing so will make the overall recycling program unprofitable. Recyclable materials do not require informal screening as defined in DoD 4160.21-M (reference (w)).

6.2.3.3.5. Establish controls that ensure excluded materials (see definition), including those listed in 32 C.F.R. 172.2(b)(3) (reference (x)), are not sold through a qualified recycling program.

6.2.3.3.6. Authorize installation commanders, as appropriate, to sell directly recyclable and other qualified recycling program materials, or to consign them to the DRMS for sale.

6.2.3.3.6.1. Installations must implement Component procedures that ensure U.S. trade security control policies are followed in accordance with DoD Instruction 4160.27 (reference (y)) and DoD 4160.21-M-1 (reference (z)), prior to directly selling firing-range-expended brass or mixed metals gleaned from firing range cleanup that do not require demilitarization and that are Munitions List

Items (MLI) or Strategic List Items (SLI). Expended brass shall be crushed, shredded, or otherwise destroyed prior to public sale.

6.2.3.3.6.2. Reuse Screening: Prior to selling directly other qualified recycling program materials, installations shall implement Component procedures for local reuse screening to consider reutilization, transfer, and donation programs in accordance with DoD 4160.21-M (reference (w)).

6.2.3.3.6.3. Ensure that outside the United States, disposition of recyclable and other qualified recycling program materials, derived from goods that have been imported duty-free, is accomplished, if at all, consistent with the provisions contained in status of forces, surplus or excess property agreements, or other international agreements with host nations

6.2.3.3.7. Ensure that distribution of recycling proceeds is consistent with 10 U.S.C. 2577 (reference (u)).

6.2.3.3.7.1. Sale proceeds shall first be used to cover the costs directly attributable to all installation recycling programs, including, but not limited to, manpower, facilities, equipment, overhead, and other capital investments. After these costs are recovered, installation commanders may use up to 50% of the remaining proceeds for pollution abatement, pollution prevention, composting and alternative fueled vehicle infrastructure support and vehicle conversion, energy conservation, or occupational safety and health projects, with first consideration given to projects included in the installation's pollution prevention plan. Any remaining proceeds may be transferred to the non-appropriated Morale, Welfare and Recreation account for any approved programs.

6.2.3.3.7.2. An accounting and control system shall be established for recycling programs that provides detailed management and audit information, tracks material quantity handled, calculates sales and handling costs for recycled material, and tracks expenditures made for appropriate projects and Morale, Welfare and Recreation programs. Integrity of the audit trail will be a priority concern.

6.2.3.3.7.3. Materials: Ensure that appropriate management controls are in place for recyclable materials that may be hazardous, such as lead-acid batteries.

6.2.3.4. Operate a composting program or participate in a regional

composting program, if it is practicable to do so.

6.2.4. Ensure all installations in customs territory of the United States and Guam meet the following additional requirements:

6.2.4.1. Comply with the Toxic Release Inventory and Pollution Prevention Act Reporting requirements of section 3-304 of Executive Order 12856 (reference (o)).

6.2.4.2. Comply with the Emergency Planning and Community Right-to-Know Reporting Responsibilities requirements of section 3-305 of Executive Order 12856 (reference (o)).

6.2.4.3. Ensure that pollution prevention plans required by subparagraph 6.2.3.2., above, also comply with sections 3-302(d), 5-505, and 5-508 of Executive Order 12856 (reference (o)). In addition, the pollution prevention plans shall describe how the installation will contribute to meeting the goals of the Pollution Prevention Measures of Merit contained in enclosure E4.

6.2.5. Ensure all installations in the United States establish and execute a program to reduce the emission of air pollutants by DoD non-tactical vehicles by:

6.2.5.1. Acquiring alternative-fueled vehicles to meet the requirements of P.L. 102-486 (reference (s)), Executive Order 12844 (reference (t)), and DoD 4500.36-R (reference (n)), ensuring that such alternative-fueled vehicles meet mission needs.

6.2.5.2. Ensuring sufficient supporting infrastructure for alternative-fueled vehicles, relying on commercial infrastructure where feasible.

6.2.5.3. Planning placement of alternative-fueled vehicles to obtain maximum air quality benefits, including Clean Air Act credits under 42 U.S.C. 7401-7671 (reference (aa)).

6.3. The Director, Defense Logistics Agency, under the Under Secretary of Defense for Acquisition and Technology, shall:

6.3.1. Ensure that a uniform control system is established by the DRMS for recyclable materials consigned for disposal. This system shall be sufficiently detailed to provide management audit information to permit the DRMS to properly calculate sales and handling costs, and reimburse installations and organizations 100% of the

proceeds, net of costs, for materials sold.

6.3.2. Prepare ODS report for DoD submission to Congress as required by 10 U.S.C. 2301 (reference (q)). The report control symbol (RCS) is (DD-A&T(Q)1958).

7. INFORMATION REQUIREMENTS

7.1. Emergency Planning and Community Right-to-Know Act (EPCRA) Reporting. All DoD facilities within the customs territory of the United States and Guam meeting the 42 U.S.C. 11049(4) (reference (bb)) definition of "facility," regardless of Standard Industrial Classification Code, shall meet all requirements of Executive Order 12856 (reference (o)). All DoD facilities exceeding the Section 313 of 42 U.S.C. 11023 (reference (cc)) toxic chemical thresholds must file a Toxic Chemical Release Inventory report, Form R, to the Environmental Protection Agency (EPA) and appropriate State regulatory agency for each toxic chemical meeting threshold requirements, even if no releases or off-site transfers have occurred. Each DoD Component shall submit a copy of each Form R from their installations to DUSD(ES).

7.2. Alternative-Fueled Vehicle Reporting. The DoD Components shall provide required information to Department of Energy's (DoE) Energy Information Administration (Form EIA 886, Part III), the General Services Administration (GSA Standard Form 82), and will prepare an annual report as required by Section 6 of E.O. 12844 (reference (t)). Each Component will forward a copy of its annual report to DUSD(ES).

7.3. Alternative Fuels Reporting. The DoD Components shall report directly to the ASD(ES) on DoE's Federal Energy Management Program (DoE Form 6200.2).

7.4. Office of Federal Procurement Policy and E. O. 12873 (reference (m)) The DoD Components are required annually to provide data to DUSD(ES) that summarizes their purchases of commodities not purchased through other government agencies meeting the EPA guideline requirements and other actions they are taking to meet the intent of the Executive Order. See 42 U.S.C. 6962 (reference (r)) and E.O. 12873 (reference (m)).


7.5. Annual Pollution Prevention Review. The DoD Components will present an IPR on their program (per subparagraph 5.7.8., above) to DUSD(ES).

7.6. Executive Order 12856 (reference (o)). The DoD Components are required

to provide information annually to DUSD(ES) that summarizes their actions taken to implement the requirements of reference (o).

8. EFFECTIVE DATE

This Instruction is effective immediately.


Paul Kaminski
Under Secretary of Defense
for Acquisition and Technology

Enclosures - 4

1. References
2. Executive Agents for Environmental Media and Specialty Areas
3. Definitions
4. DoD Pollution Prevention Measures of Merit

E1. ENCLOSURE 1

REFERENCES

- (f) DoD 5000.2-R "Mandatory Procedures for Major Acquisition Programs (MDAPS) and Major Automated Information System (MAIS) Acquisition Programs, March 15, 1996
- (g) Executive Order 12344, "Naval Nuclear Propulsion Program," February 1, 1982
- (h) Section 7158 of title 42, United States Code
- (i) Section 2011 of title 42, United States Code
- (j) Section 2021 of title 42, United States Code
- (k) Title 33, Code of Federal Regulations, Section 154-156
- (l) Sections 1901-1912 of title 33, United States Code
- (m) Executive Order 12873, "Federal Acquisition, Recycling, and Waste Prevention," October 20, 1993
- (n) DoD 4500.36-R "Management, Acquisition, and Use of Motor Vehicles," March 29, 1994
- (o) Executive Order 12856, "Federal Compliance With Right-to-Know Laws and Pollution Prevention Requirements," August 3, 1993
- (p) Executive Order 12902, "Energy Efficiency and Water Conservation at Federal Facilities," March 8, 1994
- (q) Section 326 of Public Law 102-484, section 2301 of title 10, United States Code, note ²
- (r) Section 6962 of title 42, United States Code
- (s) Public Law 102-486, "Energy Policy Act of 1992," October 24, 1992³
- (t) Executive Order 12844, "Federal Use of Alternative Fueled Vehicles," April 21, 1993
- (u) Section 2577 of title 10, United States Code
- (v) Executive Order 12843, "Procurement Requirements and Policies for Federal Agencies for Ozone Depleting Substances," April 21, 1993
- (w) DoD 4160.21-M, "Defense Reutilization and Marketing Manual," March 23, 1990, authorized by DoD Directive 4160.21, December 5, 1980
- (x) Title 32, Code of Federal Regulations, Part 172
- (y) DoD Instruction 4160.27, "Demilitarization of Materiel," December 14, 1988
- (z) DoD 4160.21-M-1, "Defense Demilitarization Manual," October 21, 1991, authorized by DoD Directive 4160.21, December 5, 1980

² 10 U.S.C. 2301 has been repealed, but the requirement remains in the note and still applies.

³ Refers to multiple parts of the law.

- (aa) Sections 7401-7671 of title 42, United States Code
- (bb) Section 11049 of title 42, United States Code
- (cc) Section 11023 of title 42, United States Code
- (dd) Section 6374 of title 42, United States Code
- (ee) Section 1401 of title 19, United States Code
- (ff) Sections 4321-4370 of title 42, United States Code
- (gg) Title 40, Code of Federal Regulations, Part 302
- (hh) Section 7671 of title 42, United States Code
- (ii) Federal Register, Volume 57, page 33753, July 30, 1992
- (jj) Sections 13101-13109 of title 42, United States Code
- (kk) Section 6903 of title 42, United States Code

E2. ENCLOSURE 2

EXECUTIVE AGENTS FOR ENVIRONMENTAL MEDIA AND SPECIALTY
AREAS

E2.1.1. Navy-Ozone Depleting Substances

E3. ENCLOSURE 3

DEFINITIONS

E3.1.1. Acquisition Program. A directed, funded effort that is designed to provide a new, improved, or continuing weapons system or automated information system (AIS) capability in response to a validated operational need. Acquisition programs are divided into categories, which are established to facilitate decentralized decision-making and execution and compliance with statutory requirements. (DoD Directive 5000.1 (reference (e))).

E3.1.2. Alternative Fuel. A fuel as defined in 42 U.S.C. 6374 (g)(2) (reference (dd)).

E3.1.3. Alternative Fueled Vehicle. A vehicle as defined in Section 6374 (g)(3) of reference (dd).

E3.1.4. Composting. A controlled process for managing the degradation of plant and other organic wastes to produce a useful product that can be used as mulch or soil conditioner.

E3.1.5. Customs Territory. "All Territories and possessions of the United States except the Virgin Islands, American Samoa, Wake Island, Midway Island, Kingman Reef, Johnston Island and the Island of Guam." (from 19 U.S.C. 1401(h) (reference (ee))).

E3.1.6. Environment. The term "environment" includes water, air, and land and the interrelationship which exist among and between water, air, and land and all living things. (from 42 U.S.C. 11049(2) (reference (bb))).

E3.1.7. Environmental Security. A program that enhances readiness by institutionalizing the Department of Defense's environmental, safety and occupational health awareness, making it an integral part of the Department's daily activities. Environmental Security is comprised of cleanup, compliance, conservation, pollution prevention, safety, occupational health, explosives safety, fire and emergency services, pest management, environmental security technology and international activities.

E3.1.8. Environmentally Preferable. Products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. This comparison may consider raw

materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the product or service. (from Executive Order 12873, section 201 (reference (m))).

E3.1.9. Environmental Quality Classes. This includes the following designations:

E3.1.9.1. Class 0 - Includes activities needed to cover the recurring administrative, personnel and other costs associated with managing environmental programs that are necessary to meet applicable compliance requirements (Federal, State, and local laws, regulations, E.O.s, DoD policies, and Final Governing Standards overseas or the "Overseas Environmental Baseline Guidance Document" (reference (d)) or which are in direct support of the military mission. Also, includes environmental management activities associated with the operation of facilities, installations and deployed weapon systems. Recurring costs consist of manpower, training, supplies, hazardous waste disposal, operating recycling activities, permits, fees, testing and monitoring and/or sampling and analysis, reporting and record keeping (e.g., Toxic Release Inventory reporting), maintenance of environmental equipment, and compliance self assessments.

E3.1.9.2. Class I - Projects and activities needed that are currently out of compliance (have received an enforcement action from a duly authorized Federal, State, or local authority; have a signed compliance agreement or received a consent order; and/or have not met requirements based on applicable Federal, State, and local laws, regulations, E.O.s, DoD policies, and Final Governing Standards overseas or the Overseas Environmental Baseline Guidance Document (reference (d))). This class also includes projects and activities needed that are not currently out of compliance (deadlines or requirements have been established by applicable requirements, but deadlines have not passed or requirements are not in force) but shall be if projects or activities are not implemented within the current program year. Those activities include the preparation of plans (e.g., National Environmental Policy Act, 42 U.S.C. 4321-4370(d) (reference (ff))), documentation, master plans, emergency response plans, integrated natural and cultural resource management plans, pollution prevention plans; etc.), opportunity assessments and inventories. The preferred approach is to use pollution prevention projects or activities, if cost effective, to bring a facility into compliance. Overseas, that class includes projects and activities necessary to alleviate the human health threats to ongoing operations or necessary to comply with applicable treaties and agreements.

E3.1.9.3. Class II - Projects and activities needed that are not currently out of compliance (deadlines or requirements have been established by applicable Federal,

State, and local laws, regulations, E.O.s, DoD policies and Final Governing Standards overseas or reference (d), but deadlines have not passed or requirements are not in force) but shall be if projects or activities are not implemented in time to meet an established deadline beyond the current program year. The preferred approach is to use pollution prevention projects or activities, if cost effective, as the means of maintaining or bringing a facility into compliance. Overseas, that class includes projects and activities identified using risk based prioritization practices that meet the long term objective of full implementation of the Final Governing Standards for each foreign country where DoD maintains substantial installations.

E3.1.9.4. Class III - Includes projects and activities that are not explicitly required by law but are needed to address overall environmental goals and objectives.

E3.1.10. Excluded Materials. Excluded Prohibited materials may not be sold through a qualified recycling program, and the proceeds from their sale SHALL NOT be returned to a qualified recycling program. Excluded items USC 2577 and 32 CFR 172 include, but are not limited to:

- E3.1.10.1. Government-furnished material;
- E3.1.10.2. Precious metal bearing scrap;
- E3.1.10.3. Hazardous waste (including household hazardous waste);
- E3.1.10.4. Ozone depleting substances;
- E3.1.10.5. Electrical components;
- E3.1.10.6. Unopened containers of solvents, paints, or oil;
- E3.1.10.7. Fuels;
- E3.1.10.8. Material that can be sold (as is) as a usable item;
- E3.1.10.9. Repairable items that may be used again for their original purposes or functions; e.g., used vehicles, vehicle or machine parts, etc.;
- E3.1.10.10. Ships, aircraft, weapons, and other material required to be demilitarized or mutilated, and scrap resulting from demilitarization;
- E3.1.10.11. All Munitions List Items (MLI) and Strategic List Items (SLI) as

defined in DoD 4160.21-M-1 (reference (z)), except firing range expended brass and mixed metals gleaned from firing range cleanup;

E3.1.10.12. Types of surplus personal property whose sales proceeds must be deposited to accounts other than a qualified recycling program per 32 CFR 172, Appendix B (reference (x)).

E3.1.10.12.1. Scrap generated from Defense Business Operations Fund (DBOF) activities;

E3.1.10.12.2. Usable personal property purchased by DBOF activities;

E3.1.10.12.3. Property purchased with commissary surcharge funds;

E3.1.10.12.4. Automatic data processing equipment owned by the General Services Administration;

E3.1.10.12.5. Property purchased for the Military Assistance Program or purchased with Foreign Military Sales Administrative funds;

E3.1.10.12.6. Coast Guard property;

E3.1.10.12.7. Property owned by nonappropriated fund activities;

E3.1.10.12.8. Lost, abandoned, or unclaimed privately owned personal property;

E3.1.10.12.9. Property owed by a country or international organization;

E3.1.10.12.10. Bones, fats, and meat trimmings generated by a commissary.

E3.1.11. Extremely Hazardous Substances. A substance as defined 42 U.S.C. 11049(3) (reference (bb)).

E3.1.12. GOCO. Government-owned/contractor-operated facility that is owned by the Federal Government but all or portions of which are operated by private contractors.

E3.1.13. Government Furnished Material. Property that may incorporated into or attached to a deliverable end item or that may be consumed or expensed in performing a contract. It includes assemblies, component parts, raw and processed

materials and small tools and supplies that may be consumed in normal use in performing a contract.

E3.1.14. Hazardous Substance. Any substance listed in Table 302.4 of 40 CFR Part 302 (reference (gg)).

E3.1.15. Other Qualified Recycling Program Materials. Materials that fit neither the definition of recyclable materials nor the definition of excluded materials are classified as other qualified recycling program materials.

E3.1.16. Ozone Depleting Substances. Means the substances controlled internationally under the Montreal Protocol and nationally under Title VI of the Clean Air Act Amendments (reference (hh)). This includes both Class I and Class II substances as follows:

E3.1.16.1. "Class I substance" means any substance designated as Class I in 57 FR 33753 (reference (ii)), including chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform and any other substance so designated by the Environmental Protection Agency (EPA) by regulation at a later date.

E3.1.16.2. "Class II substance" means any substance designated as class II in 57 FR 33753 (reference (ii)), including hydrochlorofluorocarbons and any other substance so designated by the EPA by regulation at a later date.

E3.1.17. Pollution and/or Pollutants. The terms "pollution" and "pollutant" refer to all nonproduct outputs, irrespective of any recycling or treatment that will or may reasonably be anticipated to cause deleterious affects to the public health or the environment.

E3.1.18. Pollution Prevention. "Pollution prevention" means "source reduction," as defined in the Pollution Prevention Act (PPA) of 1990, 42 U.S.C. Sections 13101-13109 (reference (jj)), and other practices that reduce or eliminate the creation of pollutants through: (a) increased efficiency in the use of raw materials, energy, water, or other resources; or (b) protection of natural resources by conservation. (Also See "Source Reduction.")

E3.1.19. Procurement. The acquiring by contract with appropriated funds for supplies or services by and for the use of the Federal Government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated and evaluated.

E3.1.20. Qualified Recycling Program (QRP). Organized operations that require concerted efforts to divert or recover scrap or waste, as well as efforts to identify, segregate, and maintain the integrity of the recyclable materials in order to maintain or enhance their marketability. If the program is administered by a DoD component, a QRP includes adherence to a control process providing accountability for all materials processed through program operations.

E3.1.21. Recovered Material. Waste materials and by-products that have been recovered or diverted from solid waste, but such term does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process. (42 U.S.C. 6903(19) (reference *(kk)*)).

E3.1.22. Recyclable Materials. Recyclable materials can include, but *are not limited to*: high-quality paper and paper products; mixed paper; newspaper; cardboard; plastic; metal cans; glass; used oil (except when hazardous waste); batteries; and *tires*. In addition, scrap (including ferrous and non-ferrous scrap) and firing range expended brass and mixed metals gleaned from firing range cleanup that do not require demilitarization may be included in a qualified recycling program.

E3.1.23. Recycling. The series of activities, including collection, separation, and processing, by which products or other materials are recovered from the solid waste stream for use in the form of raw materials in the manufacture of new products other than fuel for producing heat or power by combustion (from Executive Order 12873, Section 207 (reference *(m)*)).

E3.1.24. Source Reduction. As defined in the Federal Pollution Prevention Act (reference *(jj)*), source reduction is "any practice that a.) reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment (including fugitive emissions) prior to recycling, treatment, and disposal; and b.) reduces the hazards to public health and the environment associated with the release of such substances, pollutants, or contaminants. The term includes equipment or technology modification, process or procedure modification, reformulation or redesign of products, substitution of raw materials, and improvements in housekeeping, maintenance, training, or inventory control. " Source reduction does not entail any form of waste management (e.g., recycling and treatment).

E3.1.25. Standardization Document. A generic term for a document used to standardize on an item of supply, process, procedure, method, data, practice, or

engineering approach. Standardization documents include military specifications, standards handbooks and bulletins; Federal specifications and standards; guide specifications; Commercial Item Descriptions; and Non-Government Standards.

E3.1.26. Toxic Chemical. A chemical as defined in 42 U.S.C. 11023(c) (reference (cc)).

E3.1.27. Waste Minimization. Source reduction and the following types of recycling: (a.) beneficial use/reuse and (b.) reclamation. Waste minimization does not include recycling activities whose uses constitute disposal and burning for energy recovery.

E4. ENCLOSURE 4

DoD Pollution Prevention Measures of Merit

E4.1.1. By the end of Calendar Year (CY) 1999, reduce total releases and off-site transfers of toxic chemicals 50% from the 1994 toxic release inventory baseline. The amount of toxic releases and off-site transfers will be measured and reported in pounds.

E4.1.2. By the end of CY 1999, reduce the disposal of hazardous waste 50% from the 1992 baseline. The amount of hazardous waste disposal will be measured and reported in pounds.

E4.1.3. By the end of CY 1999, reduce the disposal of non-hazardous solid waste 50% from the 1992 baseline. The amount of solid waste disposal will be measured and reported in pounds.

E4.1.4. By the end of CY 1999, ensure that 50% of non-hazardous solid waste generated will be recycled. The amount of non-hazardous solid waste recovered and sold DoD-wide for reuse will be measure and reported in pounds.

E4.1.5. By the end of CY 1999, ensure that 75% of DoD Acquisitions of new, non-tactical vehicles are alternatively fueled vehicles.

MEMORANDUM FOR INSPECTOR GENERAL OF THE DEPARTMENT OF
DEFENSE

DEPUTY UNDER SECRETARY OF DEFENSE (LOGISTICS)
DIRECTOR OF ADMINISTRATION AND MANAGEMENT
ASSISTANT SECRETARY OF THE ARMY
(INSTALLATIONS, LOGISTICS & ENVIRONMENT)
ASSISTANT SECRETARY OF THE NAVY
(INSTALLATIONS & ENVIRONMENT)
ASSISTANT SECRETARY OF THE AIR FORCE
(MANPOWER, RESERVE AFFAIRS, INSTALLATIONS
& ENVIRONMENT)
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Recycling of Firing-Range Scrap Consisting of Expended Brass and Mixed
Metals Gleaned from Firing-Range Clearance Through Qualified Recycling
Programs

DoD Instruction 4715.4, "Pollution Prevention," authorizes Qualified Recycling Programs (QRP) to recycle firing-range scrap consisting of expended brass and mixed metals gleaned from firing range clearance through direct sales. The Inspector General of the Department of Defense in Report 97-213, "Evaluation of the Disposal of Munitions Items," recommended clarification of DoD regulations covering recycling of these items through QRPs.

All DoD components shall ensure that QRPs and direct sales programs follow the procedures contained in DoDI 4715.4, "Pollution Prevention," (June 18, 1996), and this memorandum, when recycling firing-range scrap consisting of expended brass and mixed metals gleaned from firing range clearance. Mixed metals gleaned from firing range clearance is defined as material (e.g., shrapnel) which is in a form that is unrecognizable from its original configuration and does not require further demilitarization, and which is not a Munitions List Item or Commerce Control List Item. Only firing-range scrap consisting of expended brass and mixed metals gleaned from firing range clearance that have been certified as safe may be recycled through a QRP. All other scrap from ammunition, explosives, and dangerous articles (AEDA), even if certified safe, shall be sold through the Defense Reutilization and Marketing Service. All firing-range scrap consisting of expended brass and mixed metals gleaned from range clearance shall be certified as safe by appropriate authority **before** QRPs accept the material for disposal. Such scrap shall be certified as safe only when there is no longer any danger of detonation or explosive reaction. Other requirements include:

- QRPs shall maintain a list of personnel authorized to certify firing-range scrap consisting of expended brass and mixed metals gleaned from range clearance as safe. This list shall include both names and sample signatures. QRPs shall update this list as necessary;

- QRPs shall segregate from other mixed metals during storage and sale all firing-range scrap consisting of expended brass and mixed metals gleaned from firing range clearance;
- QRPs conducting direct sales shall include the "Dangerous Property" clause (attached) in all contracts for sale of firing-range scrap consisting of expended brass and mixed metals gleaned from range clearance;
- Components shall ensure that QRP personnel are appropriately trained to accept, store, and sell firing-range scrap consisting of expended brass and mixed metals gleaned from range clearance. At a minimum, QRP personnel shall be trained to accomplish the following tasks:
 - How to determine which AEDA material cannot be disposed of through a QRP;
 - How to check both the name **and signature** on all turn-in documents (DD Form 1348-1) against the current list of personnel authorized to certify firing-range scrap consisting of expended brass and mixed metals gleaned from range clearance as safe;
 - How to visually inspect firing-range scrap consisting of expended brass and mixed metals gleaned from range clearance certified as safe to recognize potential explosive safety hazards; and
 - How to report any turned-in firing-range scrap consisting of expended brass and mixed metals gleaned from range clearance that is found not to be safe.

In addition, all DoD components shall conduct frequent compliance reviews of QRPs to ensure established procedures are followed.

In response to the DoD IG report, the Under Secretary of Defense (Acquisition & Technology) has formed an integrated process team (IPT) to develop standard DoD-wide policy, procedures, and training for AEDA material. More guidance on this issue may be forthcoming once the IPT finishes its work.

My POC for questions regarding this issue is Mr. Karl Weiss at 703-604-1846, or DSN: 664-1846.

Sherri W. Goodman
Deputy Under Secretary of Defense
(Environmental Security)

Attachment

(to be included in all contracts for the sale of AEDA scrap)

Dangerous Property

Purchasers are cautioned that articles or substances of a dangerous nature may remain in the property regardless of the care exercised to remove same. The Government assumes no liability for damages to property of the Purchaser or for personal injury, disability or death of the Purchaser, its employees, or to any other person arising from or affiliated with the purchase, use or dispositions of this material. The purchaser shall hold the Government harmless from any and all such demands, suits, actions, or claims arising from or otherwise relating to the purchase of this material.

EXECUTIVE SUMMARY

MEMORANDUM FOR DEPUTY UNDER SECRETARY OF DEFENSE
(ENVIRONMENTAL SECURITY)

THROUGH: ASSISTANT DEPUTY UNDER SECRETARY OF DEFENSE
(ENVIRONMENTAL QUALITY)

FROM: DIRECTOR, POLLUTION PREVENTION
Prepared by: Karl Weiss/ODUSD(ES)EQ/PP/604-1846/971214

SUBJECT: Recycling of Firing-Range-Scrap Consisting of Expended Brass and Mixed Metals Gleaned from Firing Range Clearance Through Qualified Recycling Programs

PURPOSE:

ACTION – Obtain your signature on the memorandum at TAB A clarifying DoD policy

DISCUSSION: The DoD IG recently reviewed DoD policy for the disposal of munitions items (Report 97-213)(TAB B). In its report, the DoD IG recommended that DUSD(ES) clarify DoD regulations covering the sale of scrap from ammunition, explosives, and other dangerous articles (AEDA) through recycling programs. In your response to the recommendations contained in the report, you agreed to provide the suggested clarification (TAB C). The memorandum at TAB A provides the clarification, and responds to the specific issues regarding sale through recycling programs mentioned in the report by requiring that all firing-range scrap consisting of expended brass and mixed metals gleaned from firing-range clearance be certified as safe before the recycling program accepts it for sale. It also establishes requirements for segregating AEDA scrap from other recyclable metals, and requirements for training recycling personnel in accepting and selling of AEDA scrap. Finally, it states that you may issue additional guidance on this issue once the IPT established by USD(A&T) to review policies and procedures for disposal of AEDA scrap completes its work.

COORDINATION: TAB D

BACKGROUND: TAB B & C

RECOMMENDATION: That you sign the memorandum at TAB A.

COORDINATION

SUBJECT: Recycling of Firing-Range-Expended Brass and Mixed Metals Gleaned from Firing
Range Clearance Through Qualified Recycling Programs

After completion, please fax this coordination sheet plus any comments to Karl Weiss, fax: (703) 607-3124, phone: (703) 604-1846. (Room 600, Crystal Park 5) Request return by March 13, 1998.

DASA (ES&OH) _____

DASN (E&S) _____

DASAF (ES&OH) _____

DLA _____

DUSD(L) _____

DDESB _____

DoD (GC) _____

EQ/CM _____

Combined Services Qualified Recycling Program

Chief of Naval Operations, N45 (Executive Agent), 1000 Navy Pentagon, Department of the Navy, Washington, DC 20350-1000

2 Jan 97

MEMORANDUM FROM ASSISTANT CHIEF OF STAFF FOR INSTALLATION
MANAGEMENT, DEPARTMENT OF THE ARMY
(DAIM-ZA)

CHIEF OF NAVAL OPERATIONS, DIRECTOR,
ENVIRONMENTAL PROTECTION, SAFETY AND
OCCUPATIONAL HEALTH DIVISION (N45)

HEADQUARTERS UNITED STATES AIR FORCE,
OFFICE OF THE CIVIL ENGINEER

COMMANDANT OF THE MARINE CORPS,
ASSISTANT

DEPUTY CHIEF OF STAFF FOR INSTALLATIONS
AND LOGISTICS (FACILITIES)

CHIEF OF SYSTEMS, UNITED STATES COAST
GUARD

DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Combined Services Interim Guidance for Direct Sales

REFERENCES: (a) DUSD(ES) Memorandum, 28SEP1993
(b) DoD Instruction 4715.4 (Pollution Prevention)
(c) 10 USC 2577, Disposal of Recyclable Materials

ENCLOSURES: (1) DoD Instruction 4715.4 (Pollution Prevention)
(2) Combined Services Recycling Working Group
Contact List

1. Background

It is Department of Defense (DOD) intent to encourage the growth of recycling at all installations and support practices that increase recycling rates. As a result of field interest and recommendations, DOD concurs that greater profitability, true market value, and more immediate proceeds may be obtained from recycling when field level activities have authority to directly sell their recyclable commodities. In the past, installations were required to sell recycled materials originally purchased with appropriated funds through the Defense Reutilization and Marketing Service (DRMS) unless specific direct sales authority was granted by the Defense Logistics Agency (DLA), per specification of reference (a). Reference (b) (also provided as enclosure (1)), directs each head of service

to establish recycling programs and procedures that authorize installation commanders to sell directly recyclables and other Qualified Recycling Program (QRP) materials.

2. Purpose

The purpose of this memorandum is to provide interim guidance for conducting direct sales of recyclable materials for commands with or without Qualified Recycling Programs (QRPs), see reference (c).

3. Agreement

The organizations listed below agree that their installation QRPs shall conduct direct sales of recyclable materials in accordance with reference (b) and in a manner consistent with this guidance. Each organization shall promulgate this guidance through the appropriate chain of command.

4. Conditions

The conditions of reference (b) shall apply. In addition:

(a) Sales of recyclable materials over \$15,000 shall be conducted in accordance with procedures contained in 40 USC 484, or other appropriate regulations as they may apply.

(b) Direct sale is expected to result in:

- (1) Increased proceeds (net of cost), increased efficiency, or cost effectiveness, or;
- (2) The direct return of a usable product containing that material.

(c) Those installations or activities that do not have a QRP are directed to review their service component QRP Guide before engaging in direct sales.

5. Management Controls

All transactions shall be promptly recorded, properly classified, and available for examination in accordance with reference (b).

Table 1 summarizes the items that may or may not be recycled and directly sold by a QRP.

Distribution of recycling proceeds from direct sales shall comply with references (b) and (c).

6. Alternatives

Installations may continue to use DRMOs, conduct local direct sales, or outsource direct sales.

7. Summary

This memorandum is interim guidance for direct sales as provided in reference (b). This interim guidance will be superseded by the combined services qualified recycling program guide now in development. Individual service questions can be addressed to the members of the combined services recycling working group as outlined in enclosure (2).

TABLE 1. Items that May or May Not be Recycled and Directly Sold Under a QRP

Items that May be Recycled and Directly Sold Under a QRP	Items that May Not be Recycled and Directly Sold Under a QRP
Industrial scrap metal from non-DBOF activity	Precious metal scrap
Industrial scrap metal from DBOF activities (if installation determines that it is uneconomical for DBOF to recycle.)	Scrap generated from Industrial Funded (DBOF) activity that is routinely used to offset overhead and customer costs.
Expendable firing range brass and gleanings- not requiring demilitarization which have been crushed, shredded, or otherwise destroyed prior to public sale	Items that must be demilitarized at any time during its life cycle Beverage containers (metal, glass & plastic)
Office paper (High quality, bond, computer, mixed, telephone books and federal register)	Hazardous wastes
Newspaper Items that can be reused for original purpose without special processing	Commissary store wastes (food, scraps, cardboard) and Exchange store wastes (cardboard), unless activities choose the QRP
Cardboard / Pressboard	Used vehicles
Glass	Vehicle or machine parts
Plastics	Repairable items not processed through the disposal cycle
Scrap wood	Electrical components
Rags / Textile wastes	Unopened containers of oil, paints, or solvents
Used oil (under review)	Fuels
Lead acid batteries (unless prohibited by state law)	Ships, planes, or weapons that must undergo demilitarization or mutilation prior to sale.
Automotive tires	Munitions List Items or Strategic List Items
Food wastes from dining facilities	

(This is a summary and not all-inclusive in either column -see reference (b) for details.)

Date Signed
13 May 1998

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY
(INSTALLATIONS, LOGISTICS & ENVIRONMENT)
ASSISTANT SECRETARY OF THE NAVY
(INSTALLATIONS & ENVIRONMENT)
ASSISTANT SECRETARY OF THE AIR FORCE
(MANPOWER, RESERVE AFFAIRS, INSTALLATIONS
& ENVIRONMENT)
DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: New DoD Pollution Prevention Measure of Merit

This memorandum establishes a new DoD Pollution Prevention Measure of Merit (MoM), the "Non-Hazardous Solid Waste Diversion Rate." In addition, two existing measures, the "Non-Hazardous Solid Waste Disposal" and "Non-Hazardous Solid Waste Recycling" measures, published in enclosure 4 to DoD Instruction 4715.4, "Pollution Prevention" (June 18, 1996), are canceled effective the end of FY 1998. The new MoM will replace the two canceled measures effective the beginning of FY 1999.

The new "Non-Hazardous Solid Waste Diversion Rate" MoM is:

"By the end of FY2005, ensure the diversion rate for non-hazardous solid waste is greater than 40%, while ensuring integrated non-hazardous solid waste management programs provide an economic benefit when compared with disposal using landfilling and incineration alone."

Components shall begin reporting using the new MoM for FY 1999. Installations generating less than one ton of solid waste per day are exempt from the reporting requirement, thus components need not include data for these installations in their annual reports. The new MoM will be included in the next revision of DoDI 4715.4. The attachment describes in detail how the new MoM will be reported.

I am pleased to announce that DoD achieved the goal contained in the current recycling MoM several years early. The current recycling MoM required DoD to increase the amount of solid waste that it recycled by 50 per cent using FY 1992 as a base line. For FY 1995, DoD reported that it had increased its recycling by 59 per cent from the FY 1992 base. DoD has also made substantial progress in achieving the current solid waste MoM. For FY 1995, DoD reported that it had decreased the amount of solid waste disposed of by 23 per cent from the FY 1992 base. Please pass on my thanks to all those who have helped achieve these successes.

Questions regarding the new MoM should be directed to Mr. Karl Weiss at (703) 604-1846.

Sherri W. Goodman
Deputy Under Secretary of Defense
(Environmental Security)

Attachment

Non-Hazardous Solid Waste Diversion Rate Measure of Merit

"By the end of FY2005, ensure the diversion rate for non-hazardous solid waste is greater than 40%, while ensuring integrated non-hazardous solid waste management programs provide an economic benefit when compared with disposal using landfilling and incineration alone."

Under this MoM, components shall report their 1.) diversion rate, and, 2.) cost avoidance (or additional costs) resulting from the use of integrated solid waste management, and, optionally, may report the amount of solid waste disposed through waste-to-energy incineration. Components shall report annually on a fiscal year basis, using the following units, as appropriate: percentage, tons (2,000 pounds per ton), and dollars. In preparing reports, components need not include data from installations generating less than one ton of solid waste per day. The methods for calculating the data are explained in detail below:

Diversion Rate Calculation

The diversion rate equals the rate at which non-hazardous solid waste is diverted from entering a disposal facility. Disposal facilities include landfills (both solid waste and inert) and incinerators. Composting, mulching, recycling, reuse, and donation are generally accepted waste diversion methods. The diversion rate equals:

$$(R/(R+L))*100 = \text{diversion rate (per cent)}$$

R = amount (in tons) of non-hazardous solid waste (including construction and demolition debris) that is composted, mulched, recycled, reused, donated, or otherwise diverted from a disposal facility.

L = amount (in tons) of solid waste (including construction and demolition debris) transferred to a disposal facility.

For example, if an installation composts 750 tons, recycles 1,500 tons, landfills 3,750 tons, and incinerates 1,000 tons in a waste-to-energy program from its total of 7,000 tons of solid waste generated, it would report as follows:

$$R = 750 \text{ tons} + 1,500 \text{ tons} = 2,250 \text{ tons}$$

$$L = 3,750 \text{ tons} + 1,000 \text{ tons} = 4,750 \text{ tons}$$

$$(R/(R+L))*100 = (2250/2250+4750)*100 = 32.1\% = \text{diversion rate (higher is better)}^4$$

Waste-to-Energy Incineration (Optional)

Components may also report the amount of solid waste disposed through waste-to-energy incineration. (Whether waste-to-energy incineration provides an environmental benefit when compared to ordinary incineration, or to landfilling, is debatable. Components that believe their waste-to-energy incineration projects do result in an environmental benefit may report the percentage so disposed.)

Continuing the above example, 7,000 tons of solid waste were generated, with 1,000 tons going to a waste-to-energy incinerator. $R+L$ = Total amount generated. I = Total amount disposed by waste-to-energy incineration.

$$R+L = 7,000 \text{ tons} \qquad I = 1,000 \text{ tons}$$

$$I/R+L = 14.3\%^5$$

Economic Benefit of Integrated Solid Waste Management Calculation

In achieving the 40 percent diversion rate, components should ensure that the cost of integrated non-hazardous solid waste management is less than the potential cost of disposing of all solid waste by traditional means, such as landfilling and incineration. The following calculation compares the costs for a hypothetical installation that generates a total of 10,300 tons of solid waste, including 1,350 tons of construction demolition debris⁶:

$PDC - ADC$ = cost avoidance due to integrated solid waste management (dollars)

PDC = potential disposal cost if all waste were to be landfilled or incinerated (in dollars).⁷

ADC = actual cost of integrated solid waste management (in dollars).

For example, if an installation:

⁴ Note that although the diversion rate is the MoM, each level (installation, major command, and service) will be required to report the diversion rate itself, along with R , L , and $R+L$, in order to permit roll-up of the data.

⁵ Note that if the rate of waste-to-energy incineration is reported, each level (installation, major command, and service) must also report R , L , and $R+L$, in order to permit roll-up of the data.

⁶ For this example the installation pays \$38 per ton for solid waste that it disposes of in the local municipal landfill. The installation operates its own on-base inert landfill. The estimated direct costs of disposing inert material in the on-base landfill is \$5 per ton.

⁷ Actual cost per ton of disposal (tipping fee or incineration fee) multiplied by total tons generated during the year.

- Spent \$300K operating a QRP
- Received \$330K in proceeds from the sale of 1500 tons of recyclables through its QRP
- Spent \$75K operating a composting program
- Received \$80K in proceeds from composting 750 tons
- Paid a contractor an extra \$10K to pick up and recycle 300 tons of glass, which the QRP found uneconomic to recycle.
- Donated 50 tons of construction demolition debris to a local community (in return for hauling)
- Recycled 300 tons of construction demolition debris for on-base use at a cost of \$4K
- Disposed of 1000 tons of construction demolition debris in an on-base inert landfill at an estimated cost of \$5 per ton
- Disposed of 6,400 tons of solid waste in a municipal landfill at \$38 per ton

it would report as follows:

$$\text{PDC} = (8950 \text{ tons} * \$38 \text{ per ton}) + (1350 \text{ tons} * \$5 \text{ per ton}) = \$346,850$$

$$\begin{aligned} \text{ADC} = & \$300,000^8 - \$330,000^9 + \$75,000^{10} - \$80,000^{11} + \$10,000^{12} + \\ & \$4,000^{13} + (1000 \text{ tons} \\ & * \$5)^{14} + (6,400 \text{ tons} * \$38 \text{ per ton})^{15} = \$227,200 \end{aligned}$$

$\$346,850 - \$227,200 = \$119,650$ (cost avoidance resulting from integrated solid waste management)

⁸ Cost of operating QRP

⁹ Proceeds from sales by QRP

¹⁰ Cost of operating composting program

¹¹ Proceeds from sales by composting program

¹² Cost to pickup and recycle glass (note that this is less than the cost of disposing of the glass by landfilling)

¹³ Cost to reuse construction and demolition debris on base

¹⁴ Estimated cost (hauling, covering, and other direct costs) for disposing of 1,000 tons of construction and demolition debris in an on-base inert landfill at the hypothetical installation. Each installation that operates an on-base landfill will have to calculate its own actual costs per ton.

¹⁵ Cost of disposing of 6,400 tons of solid waste in the local municipal solid waste landfill at \$38 per ton



DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
2 NAVY ANNEX
WASHINGTON, DC 20380-1775

IN REPLY REFER TO

11350

LFF-1

30 JAN 1997

From: Commandant of the Marine Corps

Subj: AUTHORITY FOR DIRECT SALES OF RECYCLABLE MATERIALS

Ref: (a) MCO P5090.2, Environmental Compliance and Protection Manual, September 1991
(b) Department of Defense Instruction 4715.4 (Pollution Prevention), June 1996

Encl: (1) Combined Services Interim Guidance for Direct Sales Memorandum, 2 January 1997, w/o encl (1)

1. Commands operating Qualified Recycling Programs (QRP's) under reference (a) are hereby granted authority per reference (b) to conduct direct sales of recyclable materials in accordance with enclosure (1).

2. This authority is intended to provide options to Commands to achieve the highest possible returns for their QRP's. Previous authorizations granted by DLA to conduct recyclable material direct sales are superseded by this authority. All recyclable material direct sales conducted by Commands must comply with reference (b) and enclosure (1).

3. Materials that may be sold directly are listed in enclosure (1). Information on developing procedures for direct sales may be obtained by contacting our point of contact (POC). Commands should develop appropriate oversight measures/internal controls to be integrated within Command inspection programs. More detailed procedural information will be provided in a Combined Services Recycling Program Guide which is currently being developed.

4. HQMC POC is David Heinrichs, LFF-1, DSN 426-0859 (Fax 426-0849).

P. C. HUBBELL
Acting Assistant Deputy Chief of Staff
for Installations and Logistics (Facilities)

APPENDIX I
SAMPLE MEMORANDA OF AGREEMENT (MOA) BETWEEN DRMS AND
THE RANGE COMMANDER

ATT 3

CHAP 4

DoD 4160.21-M

DRMS-D DATE

MEMORANDUM FOR (Base Commander, Address)

SUBJECT: Memorandum of Agreement

References: a. DoD 4160.21-M, Chapter 4, paragraphs B.3., B.16., B.26., B.32., B.53., B.54., and B.74.
b. DoD 4160.21-M-1, Defense Demilitarization and Trade Security Control Manual.
c. DoD 5100.76-M, Physical Security of Sensitive Conventional Arms, Ammunition and Explosives.

This agreement between Defense Reutilization and Marketing Service and (Commanding Officer, Address) provides for the disposal processing of Range Residue materials. a. DRMO _____ will provide sales service to include submitting a list of property for sale, recommend special conditions, printing and mailing of catalogs, conducting sale, provide contract monitoring, deposit sales proceeds, and record keeping only. b. (Cite Specific Activity) will retain accountability and custody of Range Residue material. (Cite Specific Activity, Address) agrees to:

- a. Provide a central collection point and work space at site for residue. Ensure material is segregated in accordance with paragraph e. below.
- b. Provide physical security. Will have overall responsibility for the security of the material as to safeguarding and protecting from damage or theft in accordance with reference c.
- c. Provide a complete list of all types of fired ordnance and targets/target material used on range(s).
- d. Provide point of contact; name, rank organization and telephone number.
- e. Segregate residue into Group 1A, Group 1B and Group 2 in accordance with reference a, paragraph B.3.
- f. Provide Explosive Ordnance Disposal (EOD) qualified personnel to inspect residue and sign the DD Form 1348-1A, certifying applicable range residue as safe and/or inert in accordance with reference a. Certification is required for all material removed from the range. Note: If necessary, specify times that EOD personnel will be available (e.g., 0700 – 1700 weekdays (except on Federal holidays).
- g. Provide for quality assurance inspection, certification, and venting (where applicable) by U.S. Army Corps of Engineers (Ordnance Disposal/Safety) or similarly qualified personnel.

h. Provide EOD/Quality Assurance Specialist Ammunition Safety (QASAS) inspection at designated collection site to re-certify Range Residue material prior to property being loaded into the contractors conveyance.

i. In coordination with the DRMO Demilitarization Coordinator, identify material that requires demilitarization and the appropriate methods of demilitarization. Segregate demilitarization required property from non-demilitarization required property and provide qualified personnel to certify and verify demilitarization has been accomplished in accordance with reference b.

j. Ensure that all demilitarization, declassification or mutilation is accomplished prior to releasing material to the contractor. For property which has been demilitarized during the collection process, provide a demilitarization certificate at the time of referral.

k. Provide qualified personnel to certify range residue contains no radioactive residue and ensure that all material is radiation checked prior to being loaded into the contractor's conveyance. Each load will be certified as radiation checked.

l. Provide escort service to potential customers during the hours of inspection.

m. Prepare a DD Form 1348-1A (containing the appropriate radiation check, demilitarization, declassification and safe/inert certifications) and weight ticket for each load of material removed.

n. If officially designated as the Contracting Officer's Representative or authorized releasing official, prepare DLA Form 1367, Shipment Receipt/Delivery Pass for each load of material released.

o. A certification as required by reference a will be provided with the DLA Form 1367 for M151 jeeps, Gamma Goats, GOERS, or other material required to be destroyed and/or mutilated by DoD Directives or Instructions (other than demilitarization) included in the range residue.

p. Assign two Weigh Masters, primary and alternate, who will escort contractor vehicle(s) to scale for outweighing.

q. Be responsible for re-inspection, re-certification, retrieval, accountability and custody of material which has been identified as containing live ordnance and/or radioactive material before or after sales removal.

r. At the time of award and prior to the removal of any material, local EOD or other qualified individuals will provide a briefing to the purchaser and DRMO personnel regarding the types of ordnance being disposed of, recognition and identification of associated hazards and response/actions to be taken in the event that live or suspected live AEDA is discovered during removal or at the

contractor's site. An illustrative guide of the ordnance, including explosive color coding, will be provided to the contractor.

DRMO agrees as follows:

- a. Receive documentation and weight ticket from generating activity regarding property to include: DD Form 1348-1A (with radiation check, safe/inert, demilitarization and declassification certifications, as appropriate) and DLA Form 1367, Shipment Receipt/Delivery Pass (when applicable), for each load removed.
- b. Provide assistance and guidance for identification of property requiring further demilitarization/mutilation.
- c. *(Note: This paragraph to be written dependant upon the type of sale.)* Provide sales assistance for range residue which may be offered on a ____ (state type of sale). Determine the terms and conditions of sale such as: hours of inspection; appointment only; 48 hours advance notice prior to pickup; loading hours; Performance Bond equal to 50% of contract bid price; etc.
- d. Accountability will be through a wash-post transaction from weight tickets, to include a running total of tonnage removed. DRMO _____ will receive copies of certified weight tickets, DD Forms 1348-1A and/or DLA Forms 1367 with proper certification acknowledging receipt of property. The receipt of property will be recorded in the DAISY inventory, and a DLA Form 1367 will be processed removing the property from the inventory.
- e. Provide technical assistance in identifying property requiring demilitarization or mutilation and the appropriate methods of demilitarization/mutilation. Review demilitarization/mutilation performance to ensure adequacy and compliance with references a. and b. above.

Termination: This Agreement shall remain in effect until 365 days beyond completion of the contract. The party proposing to terminate the Agreement shall furnish the other party with a written notice sixty (60) days prior to effective date.

AEDA incidents pose a significant safety threat to all parties involved in the disposal of Range Residue material. (Cite Specific Activity) and DRMO _____ agree to work cooperatively and in good faith to carry out the purpose of this Agreement. Each will direct their subordinate personnel to adhere to the terms of this agreement and ensure SAFETY remains paramount.

_____ (Base Commander)	_____ (DRMS Commander)
_____ (Title)	_____ (Title)
_____ (Date)	_____ (Date)

(Generating Activity)	(Zone/DRMO Manager)
(Title)	(Title)
(Date)	(Date)
(DRMO Demilitarization Coordinator)	
(Date)	

APPENDIX J
AMMUNITION, EXPLOSIVES, AND DANGEROUS ARTICLES SPECIAL
SITUATION REPORT--AEDA SITREP

**AMMUNITION, EXPLOSIVES AND DANGEROUS ARTICLES
SPECIAL SITUATION REPORT --- AEDA SITREP**

REPORTING OFFICIAL:

__(Activity Name)__(Time of Report)__(Date of Report)____
__(Activity Code/Symbol)____
__(Name of Person Submitting Report)__(Position/Title)__(DSN)____

STATUS: __(Open/Closed)____

SUMMARY COMMENTS:

A. Type of Incident: (Discovery, Explosion, etc.)

B. Custodian's Branch of Service:

C. Custodian's Location:

D. Custodian's Name:

E. Custodian's Address:

F. Was Base Commander Notified?:

G. Base Commander's Name:

H. Base Commander's Address/Phone Number:

I. Brief Description of Discovery and Subsequent Actions:

J. Documentation Numbers (e.g.: DD Form 1348-1A), when applicable:

K. Noun Name and NSN of Material/Item:

L. Other Identifying Information Regarding Material/Item:

M. Serial/Lot Numbers, if any:

N. Name, Rank, Organization, Phone Number of Individual Making the Discovery:

O. EOD/UXO Actions Taken:

P. Was Material Certified as Safe/Inert?:

Q. If Yes, Name, Rank, Activity and DSN of Individuals Having Signed Certification:

R. Was There Involvement by the Servicing DRMO?: (Include DRMO name and Point of Contact)

S. Number of people killed or injured

APPENDIX K
ABBREVIATIONS AND ACRONYMS

ABBREVIATIONS AND ACRONYMS

ALMC—Army Logistics Management College
APF—Appropriated Funds
APP—Affirmative Procurement Program
BCE—Base Civil Engineer
CFR—Code of Federal Regulations
DBOF—Defense Business Operations Fund (also known as “Working Capital Fund”)
DLA—Defense Logistics Agency
DoD—Department of Defense
DoDI—Department of Defense Instruction
DPW—Director of Public Works
DTID—Disposal Turn-In Document
DUSD(ES)—Deputy Under Secretary of Defense for Environmental Security
EPA—U.S. Environmental Protection Agency
MWR—Morale, Welfare and Recreation
NAF—Non-Appropriated Funds
OCC—Old Corrugated Cardboard
ONP—Old Newspapers
PPE—Personal Protective Equipment
PWO—Public Works Officer
QRP—Qualified Recycling Program
RCRA—Resource Conservation and Recovery Act
SWAR—Solid Waste Annual Report
USC—United States Code
WCF—Working Capital Fund
DRMO—Defense Reutilization and Marketing Office
DRMS—Defense Reutilization and Marketing Service

APPENDIX L
QUESTIONS FOR NAVY COMPTROLLER

Questions for Navy Comptroller

Question 1

Can a Navy Working Capital Fund (NWCF) activity have a Qualified Recycling Program (QRP)?

Answer: Yes, DODI4715.4 requires all Navy activities to have a QRP. It should be noted however, that 32 CFR 172, DODI4715.4, and OPNAVINST 5090.1B exclude certain materials from being sold through a QRP. Several of these excluded materials are specific to NWCF activities. Excluded materials must be recycled through the Defense Logistics Agency (DLA) and its subordinate commands.

Question 2

A. Can a NWCF activity retain the proceeds from the sale of QRP materials?

Answer: Yes, as long as the activity has set up its QRP properly and the sale proceeds are placed into the appropriate suspense account for distribution as specified in DODI 4715.4 and OPNAVINST 5090.1B. Navy installations with a QRP must deposit proceeds from the sale of recyclable materials to **F3875 "Budget Clearing Account (suspense)." This account is also known as the "QRP Account". Proceeds from the installation QRP Account must first be used to cover the costs directly attributable to all installation recycling programs. In determining the program costs, installations must account for all operational costs related to the non-hazardous solid waste diversion program. This includes, but is not limited to, manpower, facilities, equipment, overhead, and other capital investments. Work performed by military personnel cannot be reimbursed with proceeds from this account. After operations, maintenance, and overhead costs are recovered, installation commanders may use up to 50% of the remaining proceeds for pollution abatement, pollution prevention, composting and alternative fueled vehicle infrastructure support and vehicle conversion, energy conservation, or occupational safety and health projects. The installation may transfer any remaining balance to one or more of the local non-appropriated funding instruments supporting Morale, Welfare and Recreation (MWR) activities of the installation as defined in existing DON regulations.

B. Can a NWCF activity retain the proceeds from the sale of NWCF industrial scrap?

Answer: No, NWCF industrial scrap is excluded from sale through a QRP by 32 CFR 172, DODI 4715.4, and OPNAVINST 5090.1B. Any proceeds from sale of NWCF industrial scrap must go to the treasury, per Program Budget Decision (PBD) 412.

C. Can a NWCF activity retain the proceeds from the sale of non-appropriated funded recyclable materials?

Answer: Yes. Government regulations (32 CFR 172) and directives (DODI 4715.4) regarding QRPs and the sale of QRP materials do not apply to materials purchased with non-appropriated funds. These materials can be sold through the QRP or outside of the QRP.

Question 3

If a NWCF activity can retain the proceeds from the sale of QRP materials, into what account do these proceeds need to be deposited?

Answer: The funds must be deposited into a QRP suspense account as specified above.

Question 4

A. Can a NWCF activity conduct direct sales of QRP materials?

Answer: Yes, as long as the activity has been delegated direct sales authority by the cognizant major claimant and the activity has established its program in accordance with OPNAVINST 5090.1B and DODI 4715.4.

B. Can a NWCF activity conduct direct sales of NWCF industrial scrap?

Answer: No, industrial scrap generated from NWCF activities is excluded from sale through a QRP. According to the Federal Property Management Regulation, DLA is designated as the DOD disposal agent unless there is a legislative exception.

C. Can a NWCF activity conduct direct sales of non-appropriated funded recyclable materials?

Answer: Yes. Government regulations (32 CFR 172) and directives (DODI 4715.4) regarding QRPs and the sale of QRP materials do not apply to materials purchased with non-appropriated funds. These materials can be sold through the QRP or outside of the QRP.

Question 5

A. Can a NWCF activity donate its NWCF industrial scrap to a Non-NWCF activity's QRP?

Answer: No, industrial scrap generated from NWCF activities is excluded from sale through any and all QRPs.

B. Can a NWCF activity donate its QRP materials to a Non-NWCF activity's QRP?

Answer: Yes, however, the Non-WCF activity must use its sales proceeds to cover the NWCF activity's incremental costs of collecting and handling the donated QRP materials.

C. Can a NWCF activity donate its non-appropriated funded recyclable materials to a Non-NWCF activity's QRP?

Answer: Yes, however, the Non-WCF activity must use its sales proceeds to cover the NWCF activity's incremental costs of collecting and handling the donated non-appropriated funded recyclable materials.

Question 6

A. Can a NWCF activity use the funds from the sale of NWCF industrial scrap to reduce the NWCF activity's solid waste collection and disposal costs?

Answer: No.

B Can a NWCF activity use the funds from the sale of QRP materials to reduce the NWCF activity's solid waste collection and disposal costs?

Answer: Yes, if recycling and disposal are part of the same contract. Otherwise, activities must distribute the proceeds from sale of recyclable materials through the QRP as specified in OPNAVINST 5090.1B and DODI 4715.4.

C. Can a NWCF activity use the funds from the sale of non-appropriated funded recyclable materials to reduce the NWCF activity's solid waste collection and disposal costs?

Answer: Yes, if recycling and disposal are part of the same contract or the material is sold through a QRP.

Question 7

Can non-appropriated funded (NAF) organizations and personnel (i.e., Morale, Welfare, and Recreation) operate a QRP for its host activity? If so, under what circumstances?

Answer: Yes, if there is a contractual arrangement between the NAF and the activity and if all proceeds from sale of recyclable materials are processed and distributed as specified in OPNAVINST 5090.1B and DODI 4715.4. Navy activities cannot simply turn their recycling program over to a NAF organization. The activity must establish a QRP and manage it consistent with the requirements of OPNAVINST 5090.1B and DODI 4715.4.

Question 8

Is the Defense Reutilization and Marketing Office (DRMO) required to reimburse NWCF Navy activities for the activity's costs related to storage, collection and transportation of recyclable material taken to the DRMO?

Answer: No.

Question 9

Do proceeds from the direct sale of recyclable materials need to be deposited into the accounts prescribed by Enclosure 3 of DODI 7310.1, July 10, 1989?

Answer: Yes. All proceeds derived from the sale of recyclable materials through a QRP must be processed and distributed as specified in OPNAVINST 5090.1B and DODI 4715.4, and as noted above. It makes no difference if the proceeds are generated by direct sales or through sale by a DLA organization.

Definitions

QRP materials. Recyclable materials not excluded by 10 U.S.C 2577.

Excluded Materials. Materials that may not be sold through a qualified recycling program. Proceeds from their sale SHALL NOT be returned to a qualified recycling program. Items excluded by USC 2577 and 32 CFR 172 include, but are not limited to:

- Government-furnished material;

- Precious metal bearing scrap;

- Hazardous waste (including household hazardous waste);

- Ozone depleting substances;

- Electrical components;

- Unopened containers of solvents, paints, or oil;

- Fuels;

- Material that can be sold (as is) as a usable item;

- Repairable items that may be used again for their original purposes or functions; e.g., used vehicles, vehicle or machine parts, etc.;

- Ships, aircraft, weapons, and other material required to be demilitarized or mutilated, and scrap resulting from demilitarization;

- All Munitions List Items (MLI) and Strategic List Items (SLI) as defined in DoD 4160.21-M-1, except firing range expended brass and mixed metals gleaned from firing range cleanup;

Surplus personal property whose sales proceeds must be deposited to accounts other than a qualified recycling program per 32 CFR 172.

Scrap generated from NWCF activities;

Usable personal property purchased by NWCF activities;

Property purchased with commissary surcharge funds;

Automatic data processing equipment owned by the General Services Administration;

Property purchased for the Military Assistance Program or purchased with Foreign Military Sales Administrative funds;

Coast Guard property;

Property owned by nonappropriated fund activities;

Lost, abandoned, or unclaimed privately owned personal property;

Property owed by a country or international organization;

Bones, fats, and meat trimmings generated by a commissary.

Industrial scrap. Consists of short ends, machining, spoiled materials, and similar residue generated by a NWCF activity.

Non-appropriated funded recyclable materials. Recyclable materials purchased with non-appropriated funds, by DOD military and civilian personnel, MWR activities, post exchanges, ship stores, officer and noncommissioned officer clubs, and other non-appropriated funded activities.

Recyclable materials. Materials that would otherwise be sold as scrap or discarded as waste, but are capable of being reused after undergoing some type of physical or chemical processing. Recyclable materials can include, but are not limited to: high-quality paper and paper products; mixed paper; newspaper; cardboard; plastic; metal cans; glass; used oil (except when hazardous waste); batteries; and tires. In addition, scrap (including ferrous and non-ferrous scrap) and firing range expended brass and mixed metals gleaned from firing range cleanup that do not require demilitarization may be included in a QRP.

APPENDIX M
SELF AUDITING CHECKLIST FOR QRP PROGRAM

- ❑ **Set Up an Accounting and Tracking System for QRP Finances and Materials.** One readily available method is the Solid Waste Annual Report (SWAR) Software. It tracks finances and material quantities. For a free copy of this software, contact DESCIM via the DENIX Web site: <http://www.denix.osd.mil/denix/DOD/dod.html> and choose **DESCIM PMO** to find the software.
- ❑ **Send a letter to the local DRMO notifying them that you have established a QRP.** Request DRMO deposit proceeds due the QRP into the QRP separate suspense account. (A sample letter is attached in Appendix F)
- ❑ **Write a Regional/Installation QRP Instruction.** See Appendix G for a sample QRP instruction. It should cover the following at a minimum:
 - (1) Designation of a QRP Manager and duties of other installation offices that will support recycling (e.g., the DPW, Financial Officer);
 - (2) The types of recycling materials to be included in the QRP and how they will be handled;
 - (3) Specific implementation procedures of the QRP (copies of the Directive should be distributed locally and made available to DRMO);
 - (4) A means for tracking and maintaining records on types and quantity of materials covered by the QRP;
 - (5) A means for tracking and maintaining records for accounting of funds received and disbursed via the QRP;
 - (6) Payment/transfer of expenses associated with the QRP;
 - (7) Distribution of amounts remaining in the installation recycling account for authorized purposes; and;
 - (8) Procedures for completing DD Form 1348-1, DTID.
- ❑ **Demilitarization.** Current DoD policy prohibits QRPs from selling items requiring demilitarization. These items must be turned into DRMO for disposal.
- ❑ **Recycling ammo cans, ammo boxes, and powder tubes.** The QRP must send these items to DRMO.
- ❑ **Selling Weapon System Scrap Via the QRP.** All Military Listed Items and Strategic List Items, with the exception of expended range brass and mixed metals gleaned from range cleanup, are not QRP materials. All weaponry must be turned into DRMO.

- ❑ **The QRP manager must fill out DD Form 1348-1, "Disposal Turn-In Document" (DTID) (see Appendix F) for each item or homogeneous lot of scrap (mixed scrap, especially plastics, may not sell) turned into DRMO to ensure the sales proceeds are deposited into the QRP suspense account in the event DRMO sells your item.** Enter the correct account and station code, identify the appropriate program, and list material code, weight, and date of turn-in. Remember: if you fail to provide accurate information, funds generated will be deposited to the general account of the Treasury, not to your installation
- ❑ **The generating activity shall ensure that range scrap is properly inspected to determine the presence or absence of explosive hazards prior to referral to the DRMO or release from DoD control.** The inspection shall be performed by AEDA technicians or other technically qualified personnel as designated by the generating activity. Commercial contractors responsible for certifying AEDA residue, Range Residue or ECP must possess qualifications equal to those of technically qualified DoD personnel. The personnel certifying and verifying the inspection shall certify on the DTID, as follows:
 - ❑ "We certify and verify that the AEDA residue, Range Residue and/or Explosive Contaminated property listed has been 100 percent properly inspected by us and to the best of our knowledge and belief, are inert and/or free of explosives or other dangerous materials."
 - ❑ Inert certifications require dual signatures. The first signature (certifier) may be either qualified DoD personnel or qualified contractor personnel. The second signature (verifier) must be a technically qualified DoD person, and a U.S. citizen.
 - ❑ The certification and verification signatures must be directly above the typed or clearly stamped or legibly printed full name, rank/rate, complete organization name and address, and phone number (commercial and DSN) of the personnel that certified and verified the inspection. Each generating activity shall ensure that its servicing DRMO has a current list of the personnel and their sample signatures who are qualified and authorized to inspect, certify and verify AEDA Residue, Range Residue and Explosives-Contaminated Property (ECP).
 - ❑ The QRP personnel shall keep a list of personnel authorized to certify range scrap. This list shall include both names and sample signatures to check against the signature on the form declaring the material to be safe. In addition, QRP personnel accepting the expended firing-range brass and mixed metals shall be appropriately trained to accept, store, and sell expended firing-range brass and mixed metals.
 - ❑ At a minimum, QRP personnel shall be trained to accomplish the following tasks:
 - Determine which (Ammunition Explosives and Dangerous Articles) AEDA material cannot be disposed of through a QRP;
 - Check both the name and signature on all turn in documents (DD Form 1348-1) against the current list of personnel authorized to certify firing-range brass and mixed metals as

safe;

- Visually inspect firing-range brass and mixed metals certified as safe to recognize potential explosive safety hazards; and
 - Report any turned-in firing-range brass and mixed metals that is found not to be safe.
- After the QRP accepts the range brass and mixed metals, the brass and mixed metals shall be segregated from other mixed metals during storage. DRMO will accept custody of the range scrap only if it is certified as safe and is properly segregated. DLA requires the use of memoranda of agreement (MOAs), (see Appendix (I)) between DRMS and the range commander to delineate the DRMO and generating activity's responsibilities for the disposal processing of range residue materials. MOAs will serve as a check-and-balance system for DRMOs and generating activities to ensure each party knows its responsibilities.
- Under the MOA, the generating activity has the responsibility for a number of actions, such as segregating and safeguarding range residue, listing ordnance used on a range, inspecting and certifying the material as safe or inert, and ensuring that material has been demilitarized and contains no radioactive residue. DRMO is responsible for handling the sales procedures, providing technical assistance in identifying property needing demilitarization, and reviewing the adequacy of demilitarization actions.
- Scrap dealers receiving range scrap must receive a thorough briefing by the military, which will include surveying the buyers, and telling them the types of munitions that were cleared from a range and proper handling procedures.
- **Permission From Major Claimant to Conduct Direct Sales.** To obtain direct sales authority, a Navy installation with an existing QRP should send a letter to their major claimant requesting direct sales. Each claimant has established a method for granting direct sales authority to the installation QRP. With granting direct sales authority to the installations, the claimant is obligated to provide oversight of the installation program.
- **Direct Sales of Range Scrap.**
- QRP personnel accepting the expended firing-range brass and mixed metals shall be appropriately trained to accept, store, and sell firing-range brass and mixed metals. At a minimum, QRP personnel shall be trained to accomplish the following tasks:
- Determine which AEDA material cannot be disposed of through a QRP;
 - Check both the name and signature on all turn in documents against the current list of personnel authorized to certify firing-range brass and mixed metals as safe;
 - Visually inspect firing-range brass and mixed metals certified as safe to recognize potential explosive safety hazards; and
 - Report any turned-in firing-range brass and mixed metals found not to be safe.
- After the QRP accepts the range brass and mixed metals, the brass and mixed metals shall

be segregated from other mixed metals during storage. The QRP then must demilitarize the expended firing-range brass via a brass deformer. After the brass has been demilitarized, the contract for the sale of the range brass and mixed metals must contain the following clause:

"Dangerous Property

Purchasers are cautioned that articles or substances of a dangerous nature may remain in the property regardless of the care exercised to remove same. The Government assumes no liability for damages to property of the Purchaser or for personal injury, disability or death of the Purchaser, its employees, or to any other person arising from or affiliated with the purchase, use or dispositions of this material. The purchaser shall hold the Government harmless from any and all such demands, suits, actions, or claims arising from or otherwise relating to the purchase of this material."

- ❑ **Collecting Your Money Through Direct Sales.** If you receive a check from a recycler through direct sales, be sure it is payable to the U.S. Treasury. Checks must not be made payable to the QRP. Again, submit the check with a Funds Transfer Document to your finance office for deposit into the QRP separate **F3875 Budget Clearing Account (suspense) account. DO NOT ACCEPT CASH. A person receiving cash may be subject to disciplinary action.
- ❑ **Allocating QRP Proceeds After Expenses Have Been Paid.** By law, the proceeds collected by a QRP must first cover program costs. If any funds remain, they can be allocated for other projects. The general equation for calculating profit or loss is:

$$\text{Profit or Loss} = \text{QRP Revenues} - \text{QRP Program Cost}$$

If the equation shows a profit or excess, the profits may be spent or the profits can accumulate in the Suspense account (maximum amount \$2 million) and be carried over up to the next fiscal year.

Up to 50% of the net proceeds may be used for pollution abatement, pollution prevention, composting, alternative fueled vehicle infrastructure support and vehicle conversion, energy conservation, or occupational safety and health projects, with first consideration given to projects included in the installation's pollution prevention plans. Any remaining proceeds may be transferred to the non-appropriated Morale, Welfare, and Recreation account for any approved programs or retained in the QRP suspense account to cover anticipated future program costs. 10 U.S.C. 2577 limits the amounts that can be held in the QRP account at the end of any fiscal year resulting from the program to \$2 million. Amounts in excess of \$2 million are to be transferred to Miscellaneous Receipts of the Treasury. So, if you have \$4 million leftover after covering program costs, \$2 million will be transferred to the Treasury at the end of the fiscal year unless the money is allocated to one of the aforementioned projects.

- ❑ The QRP committee decides how to allocate the money. If the committee cannot reach a decision, then the installation commanding officer (or regional commander) or the appointed representative shall make the final decision. The base commanding officer (or regional commander) or the appointed representative also has the authority to override the decision of the committee, if he or she so chooses. The Comptroller's Office shall ensure that projects considered for local funding with recycling proceeds are not included in a normal military construction program.

Records For Organizing Qualified Recycling Programs.

- ❑ **Business Plan.** Description of the operation, feasibility study, cost-benefit study, market analysis, waste characterization, decision matrix. (See Chapter 3.)
- ❑ **Training Records.**
- ❑ **Prior Audit or Internal Review Reports.**
- ❑ **Management Control Reviews.**
- ❑ **Controls to Prevent the Sale of Excluded Items listed in DoD Instruction 4715.4.**
- ❑ **Minutes from QRP Committee.**
- ❑ **Direct Sales Approval Documentation.** Documentation of decisions supporting adoption of direct sales by the installation.
- ❑ **Documentation in Your Business Plan Showing Consideration of Outsourcing for QRP Functions.** If outsourcing is elected, contractors shall keep adequate records and provide summaries to the QRP Manager.
- ❑ **List of Buyers.**
- ❑ **DD Form 1348-1, DTID.** This form is used to record recyclables turned in to the DRMO. This form should contain the correct account and station codes, identify the appropriate program, and list material code, weight and date of turn in.
- ❑ **Local Form 1709.** This local DRMO form is used to account for each QRP and working capital fund account administered. Local Form 1709, which should be made available to the installation by the 10th working day of the month, contains the QRP account code and total weight pulled by the contractor (buyer). One form will be provided for each contract.
- ❑ **Standard Form 1080, Sales Receipt.**

- ❑ **Copies of Checks Received for Payment or Funds Transfers.** Maintain these with supporting documentation and check against information on contracts provided by DRMO.
- ❑ **Records of DRMO Sales.** Although DRMO maintains its own tracking system, the QRP Manager should also track the delivery and sales of installation recyclables through DRMO. This information is used to ensure payment is received and to analyze the time between turn in and payment for the recyclables. Keep records of DRMO sales on a database (SWARs) containing the following elements. DRMO must provide this information to the QRP manager. If DRMO does not provide this information to the QRP manager, the manager can report DRMO to the DRMS regional office.

Records of Direct Sales. Copies of the following documents for direct sales shall be kept on file. Samples of these documents are contained in Appendix E.

- ❑ Quotation Forms/Invitation For Proposal/Invitation For Bid
- ❑ Weight Certificates
- ❑ Shipment Receipts
- ❑ Cashier Record
- ❑ Deposit Record
- ❑ Check Copy
- ❑ Dun letters to buyers
- ❑ **Records on Operating and Overhead Costs.** Records on operating costs, including purchase of equipment, maintenance, program operation and expansion, labor costs, training, publicity, and overhead for processing recyclable materials, must be kept. See Chapter 3 for more information on cost allocation (these must be concurrent).
- ❑ **Distribution of Proceeds.** Retain records of incomes and expenditures to track the distribution of proceeds.
- ❑ **Retention of Records.** Generally maintain records for the current fiscal year and the two preceding fiscal years with the exception of documents chartering the program and documenting major decisions. Maintain and retain financial records for the length of time provided in DoD Finance Management Regulation. After three years, send all EPA tracking documents (i.e., manifests) to the environmental department for retention or retirement as required. Records involving the direct sale of hazardous materials/waste (used oil, lead batteries) that could result in CERCLA liability shall be maintained indefinitely. DRMS

maintains sales records of hazardous property that could result in CERCLA actions for 50 years.

APPENDIX N
NAVAL FACILITIES ENGINEERING COMMAND POINTS OF
CONTACT

Points of Contact. Please contact the following individuals for more information about Qualified Recycling Programs: Leave names out of official document. They can be added as a separate enclosure.

COMMAND	NAME	COMMERCIAL	EMAIL
CNO	Mr. Schirf	703-604-5424	Schirf.gregory@hq.navy.mil
HQMC	Mr. Heinrichs	703-695-9781	Heinrichsda@hqmc.usmc.mil
NAVFAC HQ	Trembly, Scott	202-685-9315	Tremblys@hq.navfac.navy.mil
LANTDIV	Thompson, Charles	757-322-4767	Thompsoncr@efdlant.navfac.navy.mil
PACDIV	Omatsu, Cheryl H	808-474-3948	Omatsuch@efdpac.navfac.navy.mil
NORTHDIV	Wiese, George	610-595-0567x128	Gwwiese@efdnorth.navfac.navy.mil
SOUTHDIV	Harrell, Rob	843-820-5551	Harrellra@efdsouth.navfac.navy.mil
SOUTHWESTDIV	Maderos, Al	619-532-2633	mederosa@efdsouth.navfac.navy.mil
EFAWEST	Lind, Larry	415-244-2527	llind@efawest.navfac.navy.mil
EFA NORTHWEST	Haelsig, Brian	360-396-0060	haelsigbr@efanw.navfac.navy.mil
EFA CHES	McCrary, Tom A	202-685-3298	mccraryta@efaches.navfac.navy.mil
EFAMED	Fortunato, Franco	39-081-568-4720x381	fortunatof@efamed.navfac.navy.mil
EFA MIDWEST	Abbate, Luigi	847-688-4477	abbateLF@pwcgl.navfac.navy.mil
NFESC	Comstock, John	805-982-5315	comstockjp@nfesc.navy.mil
NFESC	Eakes, Wallace	805-982-4882	eakesws@nfesc.navy.mil